

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**SOME ARIZONA FAMILY
CHILDCARE HOME PROVIDERS
DID NOT ALWAYS COMPLY WITH
STATE HEALTH AND SAFETY
CERTIFICATION REQUIREMENTS**

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Office of Inspector General

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EXECUTIVE SUMMARY

The 20 family childcare home providers that we reviewed in Arizona did not comply with applicable State certification requirements to ensure the health and safety of children.

WHY WE DID THIS REVIEW

The Administration for Children and Families provides Federal grants through several programs, including Head Start and the Child Care and Development Fund (CCDF). In a December 2011 report summarizing the results of 24 audits of Head Start grantees, we described multiple health and safety issues that put children at risk. To determine whether similar health and safety risks existed at childcare providers that received CCDF funding, we reviewed 20 certified family childcare home providers (providers) in Arizona that received CCDF funds for April 2013. We conducted this review in conjunction with our review of three child daycare centers in Arizona (report number A-09-13-01008).

The objective of this review was to determine whether the Arizona Department of Economic Security's (State agency) monitoring ensured that providers that received CCDF funds complied with State certification requirements related to the health and safety of children.

BACKGROUND

The CCDF (authorized by the Child Care and Development Block Grant Act and section 418 of the Social Security Act) assists low-income families, families receiving temporary public assistance, and families transitioning from public assistance to obtain child care so that they may work or obtain training or education. Combined funding for the CCDF program for fiscal year 2012, including the block grant's discretionary fund and the CCDF mandatory and matching funds, was approximately \$5.2 billion.

The State agency is the lead agency designated to administer the CCDF program, which helps low-income families in Arizona pay for child care. As the lead agency, the State agency must monitor certified providers. According to the *Child Care and Development Fund Plan for Arizona* (CCDF plan), the State agency is responsible for certifying providers and conducting inspections to ensure that providers meet health and safety standards. The CCDF plan mandates that the State agency conduct inspections of providers three times during their first year of certification and two times per year thereafter, with at least one unannounced inspection per year. Each provider is assigned a certification specialist, who performs both the announced and unannounced inspections.

WHAT WE FOUND

The State agency conducted the required inspections at all of the 20 providers that we reviewed; however, this onsite monitoring did not ensure that providers that received CCDF funds complied with State certification requirements related to the health and safety of children. We determined that each of the 20 providers did not comply with 1 or more State requirements to ensure the health and safety of children. Specifically, all 20 providers did not comply with

requirements related to the physical conditions of family homes, 13 providers did not comply with supervision requirements, and 4 providers did not comply with transportation requirements. In addition, the State agency did not perform required criminal records and child abuse registry checks for five providers.

On the basis of our discussions with State agency officials, we determined that the providers did not comply with State requirements because the State agency had inadequate policies and procedures. Specifically, the State agency did not have written policies and procedures requiring that (1) certification specialists regularly attend training related to health and safety and (2) providers be rotated regularly among certification specialists. In addition, the State agency's existing policies and procedures were not effective in identifying when a provider's fingerprint clearance card for a household member had been suspended or revoked. Finally, the State agency did not perform the required criminal records and child abuse registry checks because it considered the CCDF plan to be a plan of action rather than a set of requirements to be followed.

WHAT WE RECOMMEND

We recommend that the State agency:

- ensure through effective monitoring that providers comply with all health and safety requirements,
- develop and implement written policies and procedures requiring that certification specialists regularly attend training related to health and safety and consider implementing policies and procedures requiring that providers be rotated regularly among certification specialists,
- strengthen its existing policies and procedures to effectively identify when fingerprint clearance cards have been suspended or revoked, and
- perform criminal records and child abuse registry checks in compliance with CCDF plan requirements.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency generally concurred with our findings related to compliance with physical conditions, supervision, and transportation requirements and partially concurred with our other findings. Although the State agency concurred with our finding related to supervision, it commented that reports from providers indicated that we cited the providers for both allowing an auditor to inspect other rooms in the family home unsupervised and leaving children unattended when a provider went to check on an auditor in another room. The State agency concurred with our first and third recommendations and provided information on actions that it had taken or planned to take to address our recommendations.

The State agency partially concurred with our second and fourth recommendations. Regarding our second recommendation, the State agency concurred that certification specialists should regularly attend training related to health and safety but stated that rotating providers among certification specialists is not a tenable policy alternative in Arizona because many rural areas have only a single certification specialist. Regarding our fourth recommendation, the State agency concurred that it should have performed criminal records checks but did not concur that it should have performed annual child abuse registry checks as stated in the CCDF plan. The State agency commented that it had complied with the existing Arizona Administrative Code requirement and was in the implementation phase of meeting the new CCDF plan requirement at the time of our audit.

OUR RESPONSE

Regarding the State agency's comments on supervision, we did not cite the providers for leaving visitors and children unsupervised if they went to check on auditors inspecting other rooms. Regarding our second recommendation, we revised the recommendation to indicate that the State agency should consider implementing policies and procedures to regularly rotate providers among certification specialists. Regarding our fourth recommendation, Arizona's approved CCDF plan indicated that the State agency would perform annual child abuse registry checks; it did not indicate that it was the State agency's goal to perform annual checks. Federal regulations require the lead agency to ensure that the CCDF program complies with the approved CCDF plan (45 CFR §§ 98.11(b)(4)). Therefore, we continue to recommend that the State agency perform child abuse registry checks in compliance with CCDF plan requirements.

TABLE OF CONTENTS

| | |
|----------------------------------------------------------------------------------------------------------------|----|
| INTRODUCTION | 1 |
| Why We Did This Review | 1 |
| Objective | 1 |
| Background | 1 |
| Child Care and Development Fund | 1 |
| Arizona Childcare Services | 2 |
| Related Office of Inspector General Work..... | 2 |
| Child Care Aware of America..... | 2 |
| Child Care and Development Block Grant Act of 2014 | 3 |
| How We Conducted This Review | 3 |
| FINDINGS | 4 |
| Providers Did Not Always Comply With Requirements for Physical Conditions..... | 4 |
| Providers Did Not Comply With Requirements for Protection From Potentially Hazardous Conditions | 4 |
| Some Providers Did Not Comply With Requirements for Equipment and Sanitation | 6 |
| Some Providers Did Not Comply With Requirements for Medication..... | 7 |
| Providers Did Not Always Comply With Requirements for Supervision..... | 7 |
| Providers Did Not Always Comply With Requirements for Transportation | 8 |
| Providers Did Not Always Comply With Requirements for Criminal Records and Child Abuse Registry Checks..... | 9 |
| State Agency Had Inadequate Policies and Procedures | 9 |
| RECOMMENDATIONS | 10 |
| STATE AGENCY COMMENTS..... | 11 |
| OFFICE OF INSPECTOR GENERAL RESPONSE | 11 |
| APPENDIXES | |
| A: Federal and State Requirements for Family Childcare Home Providers | 12 |
| B: Audit Scope and Methodology..... | 19 |

C: Photographic Examples of Noncompliance With
Physical Conditions Requirements21

D: Instances of Noncompliance at Each Family Childcare Home Provider.....28

E: State Agency Comments29

INTRODUCTION

WHY WE DID THIS REVIEW

The Administration for Children and Families (ACF) provides Federal grants through several programs, including Head Start and the Child Care and Development Fund (CCDF). In a December 2011 report summarizing the results of 24 audits of Head Start grantees,¹ we described multiple health and safety issues that put children at risk. To determine whether similar health and safety risks existed at childcare providers that received CCDF funding, we reviewed 20 certified family childcare home providers² (providers) in Arizona that received CCDF funds for April 2013. We conducted this review in conjunction with our review of three child daycare centers in Arizona (report number A-09-13-01008).

OBJECTIVE

Our objective was to determine whether the State agency's monitoring ensured that providers that received CCDF funds complied with State certification requirements related to the health and safety of children.

BACKGROUND

Child Care and Development Fund

The CCDF (authorized by the Child Care and Development Block Grant Act and section 418 of the Social Security Act) assists low-income families, families receiving temporary public assistance, and families transitioning from public assistance to obtain child care so that they may work or obtain training or education. Combined funding for the CCDF program for fiscal year 2012, including the block grant's discretionary fund and the CCDF mandatory and matching funds, was approximately \$5.2 billion.

The Child Care and Development Block Grant Act and implementing Federal regulations require each State to maintain a plan that certifies that the State has requirements in State or local law to protect the health and safety of children. The plan must also certify that procedures are in effect to ensure that childcare providers comply with these requirements (42 U.S.C. §§ 9858c(c)(2)(F) and (G) and 45 CFR §§ 98.15(b)(5) and (6)).

¹ *Review of 24 Head Start Grantees' Compliance With Health and Safety Requirements* (A-01-11-02503, issued December 12, 2011).

² "Family child care home provider" is defined as an individual who provides childcare services for fewer than 24 hours per day per child, as the sole caregiver, in a private residence other than the child's residence, unless care in excess of 24 hours is due to the nature of the parent's or parents' work (*Child Care and Development Fund Plan for Arizona FFY [Federal fiscal year] 2012–2013* (CCDF plan), § 3.1.1(c)). The Arizona Department of Economic Services (State agency) may certify a provider in a home facility to care for a maximum of four children at a time for compensation (Arizona Administrative Code (State regulations), § R6-5-5220(A)).

Federal regulations require States to designate a lead agency to administer the CCDF program (45 CFR § 98.10). In addition, Federal regulations state that in retaining overall responsibility for the administration of the program, the lead agency must ensure that the program complies with the approved plan and all Federal requirements and must monitor programs and services (45 CFR §§ 98.11(b)(4) and (6)).

Arizona Childcare Services

The State agency is the lead agency designated to administer the CCDF program, which helps low-income families in Arizona pay for child care. The State agency is responsible for onsite monitoring of certified³ providers. The State agency must certify that there are health and safety requirements that apply to all providers caring for children receiving CCDF services.

According to the CCDF plan, the State agency is responsible for certifying providers and conducting inspections to ensure that providers meet health and safety standards. The CCDF plan mandates that the State agency conduct inspections of providers three times during their first year of certification and two times per year thereafter, with at least one unannounced inspection per year (CCDF plan, § 3.1.3(a)). Each provider is assigned a certification specialist, who performs both the announced and unannounced inspections.

To become a provider, an applicant submits to the State agency a complete, signed application (State regulations, § R6-5-5202(C)). The application forms contain a certification that the applicant must comply with all requirements of the State regulations and authorize the State agency to obtain additional information as necessary to determine the applicant's ability to meet these requirements. State regulations include requirements related to the physical conditions of family homes, supervision and transportation of children in care, and criminal records and child abuse registry checks of providers. Appendix A contains all relevant Federal and State requirements.

Related Office of Inspector General Work

On July 11, 2013, the Office of Inspector General issued to ACF an Early Alert Memorandum Report entitled *License-Exempt Child Care Providers in the Child Care and Development Fund Program* (OEI-07-10-00231). The report concluded that States may and do exempt many types of providers from licensing and that these providers are still required to adhere to Federal health and safety requirements to be eligible for CCDF payments.

Child Care Aware of America

Child Care Aware of America (CCAA)⁴ published a 2012 update, *Leaving Children to Chance: NACCRRA's Ranking of State Standards and Oversight of Small Family Child Care Homes*, that

³ Providers must be certified by the State agency to be eligible to receive CCDF payments. Certified providers are required to comply with State regulations and other applicable requirements of Federal, State, or local law.

⁴ In 2012, the National Association of Child Care Resource and Referral Agencies (NACCRRA) changed its name to Child Care Aware of America.

reviewed and ranked State regulations for small family childcare homes.⁵ CCAA stated that without inspections or monitoring of providers, regulations alone have limited value. CCAA added that when providers are not inspected, it is difficult for a State to enforce its regulations and suspend or revoke the licenses of individuals who are not in compliance.

Child Care and Development Block Grant Act of 2014

On November 19, 2014, the Child Care and Development Block Grant Act of 2014⁶ reauthorized the CCDF program and improved childcare health, safety, and quality requirements. The law includes a requirement that States' lead agencies perform an initial onsite monitoring visit and at least one annual unannounced onsite visit of providers that have received CCDF subsidies. It also requires training and professional development of the childcare workforce to meet the needs of the children and improve the quality and stability of the workforce. Specifically, it requires lead agencies to establish ongoing provider training.

HOW WE CONDUCTED THIS REVIEW

Of the 434 active providers in Arizona that received CCDF funding for April 2013, we selected 20 providers for our review. We based this selection on the consideration of certain factors, including the number of children being served in the geographic area where a provider was located, the location of the provider's facility, the amount of the CCDF payments made to the provider for April 2013, and the number of children at the facility.

We performed fieldwork at the State agency's offices in Phoenix and Tucson, Arizona. In addition, we conducted unannounced site visits at the 20 providers, located in Phoenix, Tucson, Casa Grande, San Tan Valley, and Toltec, Arizona.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B contains details of our audit scope and methodology.

⁵ CCAA works with more than 600 State and local Child Care Resource and Referral agencies nationwide. CCAA leads projects that increase the quality and availability of childcare professionals, undertakes research, and advocates childcare policies that positively affect the lives of children and families.

⁶ P.L. No. 113-186 (Nov. 19, 2014).

FINDINGS

The State agency conducted the required inspections at all of the 20 providers that we reviewed; however, this onsite monitoring did not ensure that providers that received CCDF funds complied with State certification requirements related to the health and safety of children. We determined that each of the 20 providers did not comply with 1 or more State requirements to ensure the health and safety of children. Specifically, all 20 providers did not comply with requirements related to the physical conditions of family homes, 13 providers did not comply with supervision requirements, and 4 providers did not comply with transportation requirements. (Appendix C contains photographic examples of providers' noncompliance with physical conditions requirements.) In addition, the State agency did not perform required criminal records and child abuse registry checks for five providers.

Appendix D shows the number of instances of noncompliance at each provider we reviewed.

PROVIDERS DID NOT ALWAYS COMPLY WITH REQUIREMENTS FOR PHYSICAL CONDITIONS

All of the 20 providers that we reviewed did not comply with applicable State requirements related to the physical conditions of the family homes to ensure the health and safety of children. Specifically, these providers did not comply with requirements in the following areas:

- protection from potentially hazardous conditions,
- equipment and sanitation, and
- medication.

Providers Did Not Comply With Requirements for Protection From Potentially Hazardous Conditions

All of the 20 providers that we reviewed had 1 or more instances of noncompliance with requirements to protect children from potentially hazardous conditions. Specifically, we found 96 instances of potentially hazardous conditions.

Facility Premises Were Not in Safe and Sanitary Condition, Were Not Free From Hazards and Vermin, or Were Not in Good Repair

At 10 providers, we found 17 instances in which the facility premises were not in safe and sanitary condition, were not free from hazards and vermin, or were not in good repair. State regulations require that indoor and outdoor premises of the facility be in a safe and sanitary condition, free from hazards and vermin, and in good repair (§ R6-5-5203(1)).

Examples of noncompliance included:

- furniture or items that were not stable or secured to prevent their being tipped onto a child (e.g., a television component balanced on top of a large flat-screen television sitting on top of a videocassette recorder, all on top of a small side table in an unlocked guest bedroom) (Appendix C, photograph 1);
- more than a dozen bottles of alcohol stored in an unlocked cabinet in a living room that was accessible to children (Appendix C, photograph 2);
- boxes stacked on top of each other in an unlocked garage that could have tipped onto a child (Appendix C, photograph 3);
- holes in the walls of a children's bedroom that a child could reach into (Appendix C, photograph 4); and
- roaches on a first-aid kit that was on top of a refrigerator, fruit flies in an open kitchen, and mosquitoes in a bathroom.

Potentially Dangerous Objects Were Not Safeguarded From Children

At 19 providers, we found 62 instances in which potentially dangerous objects were not safeguarded from children. State regulations require that all potentially dangerous objects, such as household and automotive tools, sharp objects (knives, glass objects, and pieces of metal), fireplace tools, machinery, electrical boxes, electrical outlets, electrical wires, chemicals, cleaners, and toxic substances, be safeguarded from children (§ R6-5-5203(4)).

Examples of noncompliance included:

- knives, bamboo skewers, and a pizza cutter in an unlocked kitchen drawer that was accessible to children (Appendix C, photograph 5);
- toilet bowl cleaner, glass cleaner, and sunscreen in a cabinet that was accessible to children and that had a broken child lock (Appendix C, photograph 6);
- an unlocked hallway door that led to the heating, ventilation, and air conditioning system, which had pipes and wires accessible to children (Appendix C, photograph 7); and
- a battery-operated drill, a hammer, a tire iron, insect repellent spray, spray starch, and bottles of car wheel cleaner in an unlocked storage closet that was accessible to children (Appendix C, photograph 8).

Outside Play Areas Were Not Clean and Safe

At 12 providers, we found 13 instances in which outside play areas were not clean and safe. State regulations require that outside play areas be clean and safe and be fenced if there are conditions that may pose a danger to a child playing outside (§ R6-5-5203(7)).

Examples of noncompliance included:

- a swing set with a broken swing platform (Appendix C, photograph 9);
- steel pipes poking out of the ground in an outside play area (Appendix C, photograph 10);
- dog feces in multiple providers' outside play areas; and
- lack of a fence in an outside play area giving children access to the street, an unlocked shed containing a variety of items including brake fluid and containers with unknown substances, and an air conditioning unit.

Additionally, in the outside play areas, there were numerous potentially dangerous objects, such as:

- broken flagstone and cinderblock pieces, a rusty truck bed, workout equipment (with rusty metal weight-plates), and a heavy-duty jack standing against a recreational vehicle trailer (Appendix C, photograph 11) and
- a hoe, rakes, and muddy, rusty scissors hanging from a tree, two sharp tent stakes secured to a nearby pole, and rusty pruning shears sitting on a tree stump (Appendix C, photograph 12).

Evacuation Plans Were Not Posted, an Outdoor Exit Was Not Usable, and a Smoke Detector Was Not Working

At four providers, we found four instances in which an emergency evacuation plan was not posted, an outdoor exit indicated in the evacuation plan was locked and would not open with the provider's key, or there was not a working smoke detector. State regulations require the home facility to have a posted written plan or diagram for emergency evacuation, at least two usable outdoor exits, and at least one working UL-approved smoke detector (§ R6-5-5203(8)).

Some Providers Did Not Comply With Requirements for Equipment and Sanitation

Nine of the twenty providers that we reviewed had one or more instances of noncompliance with requirements for equipment and sanitation. Specifically, we found 12 instances of noncompliance.

Inadequate Sleeping Arrangements and Insufficient Play Equipment

Six providers did not have adequate sleeping arrangements for the children in their care. Specifically, at one provider, two 9-month-old children were sleeping in bouncer seats. At the remaining five providers, children were napping on either a couch or a folded blanket on the living room or bedroom floor. State regulations require a provider to have a bed, cot, mat, crib, or playpen for each child in care who requires a daily nap or rest period (§ R6-5-5209(G)). In addition, one of the six providers did not have sufficient play equipment to meet the developmental needs of children. Specifically, the three children in care at the time of our visit were playing with one tablet computer in the living room. We did not see any play equipment and materials in the home. State regulations require a provider to have sufficient play equipment and materials to meet the developmental needs of children (§ R6-5-5209(D)).

Inadequate Sanitary Arrangements

Five providers did not have adequate sanitary arrangements:

- Three providers did not have clean diaper-changing surfaces or pads. State regulations specify that a provider must clean, sanitize, and dry the diapering surface after each diaper change (§ R6-5-5211(H)(2)).
- Two providers had garbage cans that were not tightly covered and contained soiled disposable diapers that were accessible to children. State regulations require that soiled disposable diapers be discarded in a tightly covered, lined container out of the reach of children (§ R6-5-5211(H)(4)).

Some Providers Did Not Comply With Requirements for Medication

Thirteen of the twenty providers that we reviewed had one or more instances of noncompliance with requirements for medication. Specifically, we found 23 instances of noncompliance:

- Twelve providers had twenty-one instances in which medications were stored in unlocked cabinets, drawers, closets, or bags (e.g., a diaper bag and a duffel bag) that were accessible to children (Appendix C, photograph 13). State regulations require a provider to keep all medication in a locked storage container (§ R6-5-5218(J)).
- Two providers did not have first-aid supplies available. State regulations require that first-aid supplies be available at the home facility, to be administered only by the provider (§ R6-5-5218(K)).

PROVIDERS DID NOT ALWAYS COMPLY WITH REQUIREMENTS FOR SUPERVISION

Thirteen of the twenty providers that we reviewed had one or more instances of noncompliance with requirements for supervising children in care. Specifically, we found 24 instances of noncompliance with supervision requirements:

- Three providers had six instances in which the provider neither directly supervised a visitor to the home facility while the visitor was in an area with a child in care nor directly supervised each child who was awake. State regulations require that a provider directly supervise a visitor to the home facility while the visitor is in an area with a child in care (§ R6-5-5207(J)) and directly supervise each child who is awake (§ R6-5-5210(D)).
- Two providers had two instances in which children were being supervised by an adult who was not the designated backup provider while the provider was not home. State regulations specify that when a provider is unavailable to care for a child, the provider may use only the designated backup provider (§ R6-5-5210(A)).
- Twelve providers had sixteen instances in which the daily attendance log was unavailable, children in care were not signed in or out, or children were “pre-signed” in and out for care that had not yet been provided. Accurate daily attendance logs help protect the safety of children in care by ensuring that each child at a facility can be accounted for and supervised in case of an emergency. State regulations require that a provider maintain a daily attendance log on a State-agency-approved form and that each child be signed in and out on the log by the parent or another individual designated in writing by the parent (§ R6-5-5219(A)).

PROVIDERS DID NOT ALWAYS COMPLY WITH REQUIREMENTS FOR TRANSPORTATION

Four of the twenty providers that we reviewed had one or more instances of noncompliance with the requirements for transporting children in care. Specifically, we found six instances of noncompliance:

- One provider did not obtain prior written permission from a child’s parent before transporting the child. State regulations require that a provider obtain prior written permission from a child’s parent before transporting a child in a privately owned vehicle or on public transportation (§ R6-5-5216(A)).
- Two providers did not maintain first-aid supplies in a privately owned vehicle used to transport children in care. State regulations require that a provider maintain first-aid supplies in a privately owned vehicle used to transport children in care (§ R6-5-5216(G)).
- One provider did not have either prior written permission from a child’s parent before transporting the child or first-aid supplies, and the tires on the vehicle used to transport children were bald. State regulations specify that a provider may transport a child only in a mechanically safe vehicle, which must have tires with tread (§ R6-5-5216(C)(2)).

PROVIDERS DID NOT ALWAYS COMPLY WITH REQUIREMENTS FOR CRIMINAL RECORDS AND CHILD ABUSE REGISTRY CHECKS

Five of the twenty providers that we reviewed had one or more instances of noncompliance with the requirements for criminal records and child abuse registry checks. Specifically, we found seven instances of noncompliance:

- One provider's household member had a suspended fingerprint clearance card⁷ at the time of our review, and another provider's household member lacked the required notarized criminal history certification form that covered the time of our review. Before certification or within 7 working days after residing or working in the home of a childcare provider or being designated as a backup provider, childcare personnel must (1) have valid fingerprint clearance cards or apply for a fingerprint clearance card and (2) certify and have notarized on forms provided by the State agency whether they are awaiting trial on any criminal offenses or have been convicted of or have admitted to committing any such offenses (Arizona Revised Statutes, §§ 41-1964(A) and (B)).
- Four providers and one backup provider lacked the required annual child abuse registry checks⁸ that covered the time of our review. State regulations require the State agency to conduct a child abuse registry check for the provider, the provider's household members, any emancipated children of the provider who live outside the home, and any individual backup provider before issuing a certificate (§ R6-5-5204(A)(5)). Section 3.1.3(d) of the CCDF plan requires that the child abuse registry check be conducted when the provider is certified by the State agency and annually thereafter.

STATE AGENCY HAD INADEQUATE POLICIES AND PROCEDURES

The State agency conducted the required inspections at all of the 20 providers that we reviewed; however, this onsite monitoring did not ensure that the providers complied with State certification requirements related to the health and safety of children. On the basis of our discussions with State officials, we determined that the providers did not comply with State requirements because the State agency had inadequate policies and procedures:

- The State agency lacked policies and procedures requiring that certification specialists regularly attend training related to health and safety. Although the State agency provided semiannual in-house training for its certification specialists, there were no written requirements that they regularly attend this training or any other training related to health and safety to ensure knowledge of the applicable State requirements for performing

⁷ A fingerprint clearance card is suspended if the person becomes subject to registration as a sex offender or is arrested for an offense that precludes the person from receiving a fingerprint clearance card (Arizona Revised Statutes, § 41-1758.04(C)).

⁸ The State agency conducts child abuse registry checks using the Child Protective Services Central Registry, a confidential, computerized database that maintains substantiated reports of child abuse and neglect and their investigative outcomes. Associated with each report and included in the Central Registry is information on the perpetrator(s), the child victim(s), the abuse and/or neglect that occurred, and the date the report was received.

provider reviews. As a result, the specialists may not have been aware of all the provider requirements.

- The State agency lacked policies and procedures requiring that providers be rotated regularly among certification specialists. Specialists generally worked with the same providers for long periods. As a result, the specialists developed long-term relationships with their providers and may have overlooked issues.
- The State agency's existing policies and procedures did not effectively identify when a provider's fingerprint clearance card for a household member of a family home had been suspended or revoked. The State agency receives notifications from the Department of Public Safety regarding fingerprint clearance card suspensions and revocations. However, because the State agency was unable to effectively cross-reference the Department of Public Safety's notification against a provider's household member information, an individual with a suspended fingerprint clearance card occupied for more than 16 months a certified family home caring for children.

In addition, the State agency did not perform the required criminal records and child abuse registry checks because, according to State agency management, it considered the CCDF plan to be a plan of action going forward rather than a set of requirements to be followed. State agency management told us that the annual child abuse registry check was just a tentative plan of action and that State regulations require that child abuse registry checks be performed only every 3 years. However, the CCDF plan required that child abuse registry checks be conducted upon initial certification and annually thereafter.

RECOMMENDATIONS

We recommend that the State agency:

- ensure through effective monitoring that providers comply with all health and safety requirements,
- develop and implement written policies and procedures requiring that certification specialists regularly attend training related to health and safety and consider implementing policies and procedures requiring that providers be rotated regularly among certification specialists,
- strengthen its existing policies and procedures to effectively identify when fingerprint clearance cards have been suspended or revoked, and
- perform criminal records and child abuse registry checks in compliance with CCDF plan requirements.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency generally concurred with our findings that it did not always comply with State certification requirements for physical conditions, supervision, and transportation. Although the State agency concurred with our finding related to supervision, it commented that reports from providers indicated that we cited the providers for both allowing an auditor to inspect other rooms in the family home unsupervised and leaving children unattended when a provider went to check on an auditor in another room. The State agency concurred with our first and third recommendations and provided information on actions that it had taken or planned to take to address our recommendations.

The State agency partially concurred with our findings that it did not always perform required criminal records and child abuse registry checks and that it had inadequate policies and procedures related to certification specialists. In addition, the State agency partially concurred with our second and fourth recommendations:

- Regarding our second recommendation, the State agency concurred that certification specialists should regularly attend training related to health and safety but stated that rotating providers among certification specialists is not a tenable policy alternative in Arizona because many rural areas have only a single certification specialist. The State agency commented that, to ensure consistency of monitoring, it would implement additional training for certification specialists and more intense supervision, including joint visits of family homes.
- Regarding our fourth recommendation, the State agency concurred that it should have performed criminal records checks but did not concur that it should have performed annual child abuse registry checks as stated in the CCDF plan. The State agency commented that it had complied with the existing Arizona Administrative Code requirement and was in the implementation phase of meeting the new CCDF plan requirement at the time of our audit.

The State agency's comments are included in their entirety as Appendix E.

OFFICE OF INSPECTOR GENERAL RESPONSE

Regarding the State agency's comments on supervision, we did not cite the providers for leaving visitors and children unsupervised if they went to check on auditors inspecting other rooms. Regarding our second recommendation, we revised the recommendation to indicate that the State agency should consider implementing policies and procedures to regularly rotate providers among certification specialists. Regarding our fourth recommendation, Arizona's approved CCDF plan indicated that the State agency would perform annual child abuse registry checks; it did not indicate that it was the State agency's goal to perform annual checks. Federal regulations require the lead agency to ensure that the CCDF program complies with the approved CCDF plan (45 CFR §§ 98.11(b)(4)). Therefore, we continue to recommend that the State agency perform child abuse registry checks in compliance with CCDF plan requirements.

APPENDIX A: FEDERAL AND STATE REQUIREMENTS FOR FAMILY CHILDCARE HOME PROVIDERS

FEDERAL REGULATIONS

One of the goals of the CCDF is to assist States in implementing the health, safety, licensing, and registration standards established in State regulations (45 CFR § 98.1(a)(5)).

Federal regulations state that in retaining overall responsibility for the administration of the CCDF program, the lead agency must ensure that the program complies with the approved plan and all Federal requirements and must monitor programs and services (45 CFR §§ 98.11(b)(4) and (6)). The lead agency must certify that there are in effect within the State (or other area served by the lead agency), under State or local (or tribal) law, requirements designed to protect the health and safety of children that are applicable to childcare providers that provide services for which assistance is made available under the CCDF (45 CFR § 98.15(b)(5)).

CHILD CARE AND DEVELOPMENT FUND PLAN FOR ARIZONA

The CCDF plan requires the State agency to conduct inspections of providers three times during their first year of certification and two times per year thereafter, with at least one unannounced inspection per year (§ 3.1.3(a)). The lead agency maintains the responsibility for certification of providers and inspections to ensure that providers meet health and safety requirements (§ 3.1.1(a)).

The CCDF plan defines “family child care home provider” as an individual who provides childcare services for fewer than 24 hours per day per child, as the sole caregiver, in a private residence other than the child’s residence, unless care in excess of 24 hours is due to the nature of the parent’s or parents’ work (§ 3.1.1(c)).

The CCDF plan requires criminal record checks and child abuse registry checks for providers, adult nonprovider residents, and backup providers. Fingerprint clearance cards are issued upon entrance into the system and are valid for 6 years. In addition, a child abuse registry check is to be conducted upon entrance into the system and then annually thereafter (§ 3.1.3(d)).

STATE REGULATIONS (ARIZONA ADMINISTRATIVE CODE)⁹

Definitions of Childcare Personnel, Home Facility, and Household Member

Section R-6-5-5201(11)

“Child care personnel” means all adults residing in a home facility, an in-home provider, and any backup provider.

⁹ All material in this section is quoted verbatim from the regulations.

Section R-6-5-5201(28)

“Home facility” means a provider’s residence that the [State agency] has certified as a location where childcare services may be provided.

Section R-6-5-5201(29)

“Household member” means a person who does not provide child care services and who resides in the home facility of a provider for 21 consecutive days or longer or who resides periodically throughout the year for a total of at least 21 days.

Initial Application for Certification

Section R-6-5-5202(A)

To become a certified child care provider, an applicant shall comply with all requirements of [the State regulations] and other applicable requirements of federal, state, or local law.

Section R-6-5-5202(C)

An applicant shall submit a complete, signed application form to the [State agency].

Section R-6-5-5202(J)

Child care personnel shall submit the notarized criminal history certification form required by [Arizona Revised Statutes] § 41-1964, and disclose whether they have committed any acts of child maltreatment or have been the subject of a Child Protective Service investigation.

Section R-6-5-5202(P)

Upon [State agency] request, an applicant, all members of the applicant’s household, and all individual backup providers shall comply with any additional requirements and requests for interviews, inspections, or information necessary to determine the applicant’s fitness to serve as a certified child care provider.

Section R-6-5-5202(T)

After an applicant submits a complete application for initial certification, the [State agency] shall inspect the applicant’s home to determine whether the home meets the requirements of [the State regulations].

Initial Certification: The Home Facility

Section R6-5-5203(1)

A provider shall maintain the indoor and outdoor premises of the home facility in a safe and sanitary condition, free from hazards and vermin, and in good repair. A mobile home shall have skirting to ensure that a child in care cannot go beneath the mobile home.

Section R6-5-5203(4)

A provider shall safeguard all potentially dangerous objects from children, including:

- a. Household and automotive tools;
- b. Sharp objects, such as knives, glass objects, and pieces of metal;
- c. Fireplace tools, butane lighters and igniters, and matches;
- d. Machinery;
- e. Electrical boxes;
- f. Electrical outlets;
- g. Electrical wires; and
- h. Chemicals, cleaners, and toxic substances.

Section R6-5-5203(7)

A provider shall keep outside play areas clean and safe and shall fence the play area if there are conditions that may pose a danger to any child playing outside. The fence shall be at least 4 feet high and free of hazards, including splinters and protruding nails or wires. The fence shall have only self-closing, self-latching, lockable gates.

Section R6-5-5203(8)

A home facility shall have the following equipment:

- a. A charged, readily accessible, operable, multi-purpose (ABC class) fire extinguisher that the applicant knows how to operate;
- b. At least one UL-approved, working smoke detector, properly mounted on each level of the dwelling;
- c. At least two usable outdoor exits;
- d. A posted written plan or diagram for emergency evacuation;
- e. A working telephone or other two-way communication device acceptable to the [State agency]; and
- f. An easily accessible life-saving device if the home facility has a pool or other body of water more than 12 inches deep. A “life-saving device” means a ring buoy with at least 25 feet of 1/2-inch rope attached or a shepherd’s crook.

Initial Certification: State Agency Responsibilities

Section R-6-5-5204(A)(5)

Before issuing a certificate, the [State agency] shall ... [c]onduct a [Children's Information Library Data Service] Central Registry check for:

- a. An applicant;
- b. The applicant's household members;
- c. The applicant's emancipated children who live outside the applicant's home, if any; and
- d. Any individual backup provider.

Maintenance of Certification: General Requirements and Training

Section R-6-5-5207(A)

Child care personnel and all individual backup providers shall be fingerprinted and pay all required fingerprint fees within the time prescribed in [Arizona Revised Statutes] § 41-1964.

Section R-6-5-5207(G)

A provider shall maintain a safe and clean home facility, including furnishings, equipment, supplies, materials, utensils, toys, and grounds, that meets the standards in [State regulations].

Section R-6-5-5207(H)

At all times, a provider shall allow the [State agency] access to all parts of the home facility. The [State agency] shall make at least two onsite visits each year to each home facility and in-home provider. At least one visit shall be unannounced.

Section R-6-5-5207(J)

A provider shall directly supervise a visitor to the home facility while the visitor is in an area with a child in care.

Section R-6-5-5207(K)

A provider shall not expose a child in care to tobacco products or smoke.

Section R-6-5-5207(L)

A provider shall not care for a child while under the influence of alcoholic beverages, medication, or any other substance, that may or does impair the provider's ability to care for a child.

Section R-6-5-5207(M)

A provider shall not consume alcoholic beverages while caring for a child.

Equipment

Section R-6-5-5209(D)

A provider shall have play equipment and materials sufficient to meet the program requirements described in subsections (A) through (C), and to ensure that all children in care can be occupied in developmentally appropriate play at the same time.

Section R-6-5-5209(G)

A provider shall have a bed, cot, mat, crib, or playpen for each child in care who requires a daily nap or rest period. Each infant in care shall have a safe crib, port-a crib, bassinet, or playpen.

Safety and Supervision

Section R-6-5-5210(A)

When a provider is unavailable to care for a child for a reason described in R6-5-5222(B), the provider may use only the backup provider designated under R6-5-5202 or R6-5-5222(E).

Section R-6-5-5210(D)

A provider shall directly supervise each child who is awake.

Sanitation

Section R-6-5-5211(H)

A provider shall have sanitary arrangements for diaper changing and disposal of soiled diapers, including the following:

1. The diaper changing area shall not be in an area where food is prepared or consumed;
2. The diapering surface shall be cleaned, sanitized, and dried after each diaper change;
3. Following bulk stool disposal into a toilet, soiled cloth diapers shall not be rinsed, but shall be bagged in plastic, individually labeled with child's name, stored in a covered container out of reach of children, and returned to the child's parent each day; and
4. Soiled disposable diapers shall be discarded in a tightly covered, lined container out of reach of children.

Transportation

Section R-6-5-5216(A)

A provider shall obtain prior written permission from a child's parent before transporting a child in a privately owned vehicle or on public transportation.

Section R-6-5-5216(C)

A provider shall transport a child only in a mechanically safe vehicle. "Mechanically safe" means a vehicle with:

1. Functioning brakes, signal lights, and headlights;
2. Tires with tread; and
3. Structural integrity.

Section R-6-5-5216(G)

A provider shall maintain first-aid supplies in a privately owned vehicle used to transport children in care.

Health Care and Medications

Section R-6-5-5218(J)

A provider shall keep all medication in a locked storage container, and refrigerate if necessary.

Section R-6-5-5218(K)

A provider shall have first-aid supplies available at the home facility, which shall be administered only by the provider.

Recordkeeping

Section R-6-5-5219(A)

A provider shall maintain a daily attendance log on a [State agency]-approved form and shall require that each child be signed in and out on the log by the parent or other individual designated in writing by the parent.

Provider/Child Ratios

Section R-6-5-5220(A)

The [State agency] may certify a provider in a home facility to care for a maximum of four children at a time, from birth through age 12, for compensation. A provider in a home facility

may care for a maximum of six children at a time, from birth through age 12, or a child age 13 or older who is a child with special needs, when all of the following conditions are met:

1. No more than four children in care are for compensation; and
2. No more than two of the children in care are younger than age 1, unless a sibling group.

STATE LAW (ARIZONA REVISED STATUTES)¹⁰

Fingerprint Clearance Cards

Section 41-1758.04(C)

The [State agency] shall suspend the fingerprint clearance card of a person who becomes subject to the registration as a sex offender or a person who is arrested for an offense listed in section 41-1758.03, subsection B or C or section 41-1758.07, subsection B or C.

Section 41-1964(A)

Child care personnel shall have valid fingerprint clearance cards ... or shall apply for a fingerprint clearance card no later than seven working days from the date of certification by the [State agency] or within seven working days after residing or working in the home of a child care home provider or being designated as a backup provider.

Certification Related to Criminal Offenses

Section 41-1964(B)

Before certification or within seven working days after residing or working in the home of a child care provider or being designated as a backup provider, child care personnel shall certify on forms that are provided by the [State agency] and notarized whether:

1. They are awaiting trial on or have been convicted of or admitted committing any of the criminal offenses ... in this state or similar offenses in another state or jurisdiction.
2. They are parents or guardians of a child adjudicated to be a dependent child ...
3. They have been denied a license to operate a facility for the care of children for cause in this state or another state or had a license or certificate to operate such a facility revoked.

¹⁰ All material in this section is quoted verbatim from the statutes.

APPENDIX B: AUDIT SCOPE AND METHODOLOGY

SCOPE

Of the 434 active providers in Arizona that received CCDF funding for April 2013, we selected 20 providers for our review. We based the selection on the consideration of certain factors, including the number of children being served in the geographic area where a provider was located, the location of the provider's facility, the amount of the CCDF payments made to the provider for April 2013, and the number of children at the facility.

We reviewed the 20 providers' records and facilities as of August 2013. To gain an understanding of the State agency's operations regarding childcare providers, we limited our review to the State agency's internal controls as they related to our objective.

We performed fieldwork at the State agency's offices in Phoenix and Tucson, Arizona. In addition, we conducted unannounced site visits from July 23 through August 28, 2013, at the 20 providers, located in Phoenix, Tucson, Casa Grande, San Tan Valley, and Toltec, Arizona.

METHODOLOGY

To accomplish our objective, we:

- reviewed Federal and State laws and regulations related to health and safety for certifying providers and the most recent CCDF plan approved by ACF,
- interviewed State agency officials and the CCDF program administrator to determine how Arizona monitored its providers and to determine requirements for certifying providers,
- obtained a list of the 434 active providers that received CCDF funding for April 2013,
- selected 20 providers for our review,
- obtained a letter from the State agency that explained our audit to give to the selected providers,
- developed a health and safety checklist as a guide for conducting site visits,
- conducted unannounced site visits at the 20 selected providers to determine whether they met State requirements for health and safety,
- interviewed the selected providers to obtain a list of household members to determine whether all required criminal records checks were conducted, and
- discussed the results of our review with State agency officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX C: PHOTOGRAPHIC EXAMPLES OF NONCOMPLIANCE WITH PHYSICAL CONDITIONS REQUIREMENTS



Photograph 1: A television component balanced on top of a large flat-screen television sitting on top of a videocassette recorder, all on top of a small side table in an unlocked guest bedroom that was accessible to children. Because there was little space between the side table and bed, the table or the objects on the table could have tipped onto a child who walked or ran into the space.



Photograph 2: More than a dozen bottles of alcohol stored in an unlocked cabinet in a living room that was accessible to children.



Photograph 3: Boxes stacked on top of each other in an unlocked garage that could have tipped onto a child.



Photograph 4: Holes in the walls of a children's bedroom that a child could reach into.



Photograph 5: Knives, bamboo skewers, and a pizza cutter in an unlocked kitchen drawer that was accessible to children.



Photograph 6: Toilet bowl cleaner, glass cleaner, and sunscreen in a cabinet that was accessible to children and that had a broken child lock.



Photograph 7: Unlocked hallway door that led to the heating, ventilation, and air conditioning system, which had pipes and wires accessible to children.



Photograph 8: A battery-operated drill, a hammer, a tire iron, insect repellent spray, spray starch, and bottles of car wheel cleaner in an unlocked storage closet that was accessible to children.



Photograph 9: A swing set with a broken swing platform in an outside play area.



Photograph 10: Steel pipes poking out of the ground in an outside play area.



Photograph 11: Potentially dangerous objects in an outside play area, such as broken flagstone and cinderblock pieces, a rusty truck bed, workout equipment (with rusty metal weight-plates), and a heavy-duty jack standing against a recreational vehicle trailer.



Photograph 12: Potentially dangerous objects in an outside play area, such as a hoe, rakes, and muddy, rusty scissors hanging from a tree, two sharp tent stakes secured to a nearby pole, and rusty pruning shears sitting on a tree stump.



Photograph 13: Medications stored in an unlocked closet that was accessible to children.

**APPENDIX D: INSTANCES OF NONCOMPLIANCE AT EACH FAMILY
CHILDCARE HOME PROVIDER¹¹**

| Provider No. | Date of Last Inspection | Physical Conditions | | | Supervision | Transportation | Criminal Records and Child Abuse Registry Checks |
|--------------|-------------------------|----------------------------------|--------------------------|------------|-------------|----------------|--------------------------------------------------|
| | | Potentially Hazardous Conditions | Equipment and Sanitation | Medication | | | |
| 1 | 4/10/2013 | 3 | 1 | | | | |
| 2 | 4/30/2013 | 6 | 2 | 1 | | | |
| 3 | 6/17/2013 | 5 | 2 | 3 | 3 | 1 | |
| 4 | 4/8/2013 | 6 | | | | | |
| 5 | 6/27/2013 | 3 | | 1 | 3 | | |
| 6 | 2/27/2013 | 5 | | | 1 | | |
| 7 | 7/26/2013 | 4 | | 1 | 1 | 1 | 1 |
| 8 | 6/18/2013 | 6 | 1 | 2 | 5 | 1 | 2 |
| 9 | 2/4/2013 | 3 | | 1 | 2 | | |
| 10 | 4/12/2013 | 7 | 1 | | | | |
| 11 | 6/10/2013 | 3 | | | 2 | | |
| 12 | 6/26/2013 | 5 | | 4 | 1 | | |
| 13 | 6/25/2013 | 8 | 1 | 3 | | | |
| 14 | 6/8/2013 | 3 | | 2 | 1 | | |
| 15 | 5/24/2013 | 3 | 1 | | 1 | | 2 |
| 16 | 4/16/2013 | 3 | 1 | | 2 | | 1 |
| 17 | 4/29/2013 | 5 | 2 | 1 | 1 | 3 | |
| 18 | 4/22/2013 | 6 | | 1 | | | 1 |
| 19 | 8/20/2013 | 6 | | 1 | | | |
| 20 | 7/31/2013 | 6 | | 2 | 1 | | |
| Total | | 96 | 12 | 23 | 24 | 6 | 7 |

Note: We provided to the State agency under a separate cover the names of the providers that we reviewed.

¹¹ We identified instances of noncompliance during unannounced site visits from July 23 through August 28, 2013.

APPENDIX E: STATE AGENCY COMMENTS



DEPARTMENT OF ECONOMIC SECURITY
Your Partner For A Stronger Arizona

Janice K. Brewer
Governor

Clarence H. Carter
Director

NOV 6 2014

Ms. Lori A. Ahlstrand
Regional Inspector General for Audit Services
Office of Audit Services, Region IX
90 7th Street, Suite 3-650
San Francisco, California 94103

Dear Ms. Ahlstrand:

The Department of Economic Security (Department) wishes to thank the Office of the Inspector General (OIG) for the opportunity to respond to the recently completed audit of twenty certified family child care home providers in Arizona that receive Child Care Development Fund (CCDF) funding, which are certified by the Division of Employment and Rehabilitation Services, Child Care Administration.

The Division of Employment and Rehabilitation Services is dedicated to the Department's mission which states "The Arizona Department of Economic Security promotes the safety, well-being and self-sufficiency of children, adults and families" and understands that prevention is the first step to ensuring client welfare in the community. We are confident that our nationally recognized and credentialed Child Care home providers are effective programs that assist clients achieve a better outcome in life.

The Department has reviewed the U.S. Department of Health and Human Services, OIG Draft Report, dated October 6, 2014, entitled "Some Arizona Family Child Care Home Providers Did Not Always Comply with State Health and Safety Requirements". Enclosed are comments from the Department. The Department appreciates the opportunity to respond to and provide additional comments on the Draft Report, which will be included in the final report. If you have any questions, please contact Brad Willis, Program Administrator, Child Care Administrator at (602) 542-1958 or via email at: BWillis@azdes.gov.

Sincerely,

/s/ Clarence H. Carter
Clarence H. Carter
Director

Enclosure

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**Arizona Department of Economic Security
Response to OIG Draft Report:**

“Some Arizona Family Child Care Home Providers Did Not Always Comply
With State Health and Safety Requirements”

Background:

The Child Care and Development Fund (CCDF), authorized by the Child Care and Development Block Grant Act and Section 418 of the Social Security Act assists low-income families, families receiving temporary public assistance and families transitioning from public assistance to obtain child care so that they may work or obtain training or education. Combined funding for the CCDF Program for fiscal year 2012, including the block grant’s discretionary fund and the CCDF mandatory and matching funds, was approximately \$5.2 billion.

The State Agency (the Arizona Department of Economic Security or DES) is the lead agency designated to administer the CCDF Program, which helps low-income families in Arizona pay for child care. As the lead agency, the State Agency must monitor certified providers. According to the CCDF Plan for Arizona, the State Agency is responsible for certifying providers and conducting inspections to ensure that providers meet health and safety standards. The CCDF Plan mandates that the State Agency conduct inspections three times during their first year of certification and two times per year thereafter, with at least one unannounced inspection per year. Each provider is assigned a Certification Specialist who performs both the announced and unannounced inspections.

OIG Findings:

Providers did not always comply with requirements for the following: physical conditions, protection from potentially hazardous conditions, equipment and sanitation, medication, supervision and transportation.

DES Response:

DES generally concurs with the above findings. It is true that not all providers meet all requirements, all of the time.

DES has a concern with the way that findings against three providers for failure to meet the requirements for supervision were cited in the OIG Draft Report (Report). Reports from providers indicate that when the auditors would arrive for the visit, one would ask to inspect a part of the home out of sight of the provider. When the provider allowed that auditor out of sight, the second auditor would notify the provider of the non-compliance. When the provider then went to check on the auditor out of the room, the provider was “cited” for leaving children unattended. Both of these types of supervision lapses are examples of non-compliance noted in the report.

OIG Finding:

Providers did not always comply with requirements for Criminal Records and Child Abuse Registry checks.

DES Response:

DES partially concurs with this finding. A lapse in complying with existing state policy regarding ensuring child care personnel have cleared a Criminal Records check and hold a valid Arizona Fingerprint Clearance Card did occur. (See the response to Recommendation 3 below.)

However, DES does not concur with the portion of the finding related to Child Abuse Registry checks. The findings of the audit team showed that DES was compliant with federal policy associated with background checks, was compliant with existing Arizona Administrative Code associated with conducting Child Protective Services background checks every three years, but was not fully compliant with the stated goal in the CCDF Plan of increasing this frequency to an annual requirement to further ensure the protection of Arizona children receiving care by child care home providers.

OIG Finding:

The State Agency had inadequate policies and procedures regarding Certification Specialist training, rotation of provider assignments, Criminal Records and Child Abuse Registry checks.

DES Response:

DES does not concur fully with this finding. (See responses to recommendations below for specific additional information.)

OIG Recommendations

Recommendation 1:

The State Agency is to ensure, through effective monitoring, that providers comply with all health and safety requirements.

DES Response:

DES concurs with this recommendation that effective monitoring should occur. A new version of the monitoring tool (health and safety checklist) has been completed and piloted. We are currently revising the tool based on the pilot findings for its use. Once any revisions are implemented, staff will be trained on use of this new tool. This is expected to be complete in early calendar 2015. DES will ensure compliance through an escalatory set of actions. These include:

- For a minor infraction that can be immediately remedied, such as an uncapped electrical outlet, the issue will be immediately corrected during the site visit and noted with a warning that a repeat of the infraction may result in probation or suspension of the certificate,
- For minor infractions that cannot be corrected at the time of the visit, such as failure to provide proof of liability insurance, the family child care provider's certificate may be placed on probation until compliance is verified. This means that children from authorized families currently in care will remain in care, but no new authorizations will be made. A follow-up visit will ensure the issue has been corrected,
- If the health or safety of children in care is threatened due to non-compliance, the certificate will be suspended, meaning that all authorized children will be removed from care until the issue is addressed and no new authorizations will be made. A follow-up visit will ensure that the issue has been corrected prior to the reinstatement of the certificate,
- The most serious health and safety violations will result in revocation of the certificate.

Recommendation 2:

The State Agency is to develop and implement written policies and procedures requiring: (1) Certification Specialists regularly attend training related to health and safety, and; (2) providers be rotated regularly among Certification Specialists.

DES Response:

DES concurs with the first item of the recommendation. DES was already partnering with other state agencies that perform compliance visits of regulated child care providers and community partners that deliver training specifically designed for early care and education settings. The purpose is to develop and deliver a comprehensive multi-session training to better support visitors to regulated facilities. All existing and new Certification Specialists and their supervisors will be required to attend this training. The first class started on September 18th and will be implemented statewide this fall.

Once the publication of a revised CCDF Rule from the U.S. Department of Health and Human Services Administration for Children and Families [78 Fed. Reg. 29441 (May 20, 2013)], and/or the passage of the Child Care Development Block Grant Reauthorization (S.1086) currently pending before the U.S. Senate is enacted, DES will assess any additional requirements for staff that perform regulatory functions and will develop a system to comply with the new requirements.

DES does not concur with the second item in the recommendation. The recommendation that providers be rotated regularly among Certification Specialists is not a tenable policy alternative in Arizona. In many rural areas, a single Certification Specialist is responsible for a geographic

area. In these cases, there is no staff to rotate. Even if this were a realistic approach, no research is provided to support this recommendation. The rationale offered is that a long-term relationship between a Certification Specialist and a provider is inherently at odds with compliance. DES has not seen any evidence to indicate that this theory has been tested or is valid.

In order to ensure consistency of monitoring for compliance of Health and Safety standards, DES will be implementing the additional training for Certification Specialists discussed above and more intense supervision, including joint visits.

Recommendation 3:

The State Agency is to strengthen its existing policies and procedures to effectively identify when fingerprint clearance cards have been suspended or revoked.

DES Response:

DES concurs with this recommendation. In addition to the existing paper-based system in place, a monthly automated scan by social security number of all providers, household members and backup providers has been instituted to ensure that individuals associated with DES certified homes that have had a Fingerprint Clearance Card revocation or suspension will be identified. The results of these reviews have not identified any further occurrences.

Recommendation 4:

The State Agency performs Criminal Records and Child Abuse Registry checks in compliance with CCDF Plan requirements.

DES Response:

DES partially concurs with this finding. A lapse in complying with existing state policy regarding ensuring that child care personnel have cleared a Criminal Records check and hold a valid Arizona Fingerprint Clearance Card did occur and a response was provided in Recommendation 3.

However, DES does not concur with the portion of the finding related to Child Abuse Registry checks. The stated objective of this review was to determine whether the DES monitoring ensured that providers that received CCDF funds complied with state certification requirements related to the health and safety of children. These certification requirements are specified in Arizona Administrative Code Title 6, Chapter 5, Article 52, Certification and Supervision of Family Child Care Home Providers.

Arizona Response to OIG Report Number: A-09-01004

The findings of the audit team showed that DES was compliant with federal policy associated with background checks, compliant with existing Arizona Administrative Code associated with conducting Child Abuse Registry checks every three years, but was not fully compliant with the stated goal in the CCDF Plan of increasing this frequency to an annual requirement to further ensure the protection of Arizona children receiving care by child care home providers. DES was in the implementation phase of this new heightened screening requirement during the audit, resulting in less than 100 percent compliance at the time of the audit. DES has since completed a file check and all personnel that are required to have a Child Abuse Registry check had one in the previous twelve months.

Conclusion:

As the State Agency, our intent is to operate the CCDF Program in a manner that is consistent with State and Federal guidelines while ensuring the health and safety of children. DES is continually searching for ways to improve our performance, and it is hoped that these ongoing efforts will lead to a more effective CCDF Program in Arizona.