

**DEPARTMENT OF
CHILDREN AND FAMILIES**

Regulation of Child Care Providers
and Licensing of Foster Homes



Sherrill F. Norman, CPA
Auditor General

Secretary of the Department of Children and Families

The Department of Children and Families is established by Section 20.19, Florida Statutes. The head of the Department is the Secretary who is appointed by the Governor and subject to confirmation by the Senate. Mike Carroll served as Department Secretary during the period of our audit.

The team leader was Lynley B. Trent, CPA, and the audit was supervised by Jacqueline Joyner, CPA.

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DEPARTMENT OF CHILDREN AND FAMILIES

Regulation of Child Care Providers and Licensing of Foster Homes

SUMMARY

This operational audit of the Department of Children and Families (Department) focused on the regulation of child care providers in Clay, Duval, Gadsden, Jefferson, Leon, Manatee, Nassau, Pasco, and Wakulla counties and the licensing of foster homes. Our audit disclosed the following:

Child Care Provider Licensing, Registration, and Inspections

Finding 1: Department procedures for imposing administrative fines on child care providers that do not timely submit license renewal applications and for ensuring and demonstrating that providers satisfied certain registration requirements need enhancement.

Finding 2: The Department did not always timely conduct reinspections of child care providers to determine whether violations had been corrected.

Foster Home Licensing

Finding 3: The Florida Safe Families Network did not indicate the date an initial foster home license was issued, distinguish between initial or renewed licenses, or reflect the entity involved in the licensing process.

BACKGROUND

State law¹ provides that the Department of Children and Families (Department) is to work in partnership with local communities to protect the vulnerable, promote strong and economically self-sufficient families, and advance personal and family recovery and resiliency. State law also specifies that the Department is responsible for providing various services, including services related to child care regulation and child welfare.

The Department plans, administers, and delivers most of its services to target groups through offices in 6 regions and 20 circuits. The regional offices are responsible for support services, contract management, and local program office functions, such as the licensing of child care providers and foster homes. The circuits are responsible for field operations, such as child and adult protective investigations and public assistance eligibility determinations. For the 2017-18 fiscal year, the Legislature appropriated approximately \$3.2 billion to the Department and authorized 12,030.75 positions.

¹Section 20.19, Florida Statutes.

FINDINGS AND RECOMMENDATIONS

CHILD CARE PROVIDER LICENSING, REGISTRATION, AND INSPECTIONS

State law² provides that, to protect the health and welfare of children, it is the intent of the Legislature to develop a regulatory framework that promotes the growth and stability of the child care industry and facilitates the safe physical, intellectual, motor, and social development of the child. To that end, the Department's Child Care Regulation Program is responsible for licensing and regulating child care facilities, family day care homes, large family child care homes, and specialized facilities for the care of mildly ill children, as well as registering and overseeing certain family day care homes. To ensure that licensing requirements are met, the Department is responsible for conducting ongoing inspections of child care providers. State law,³ though, allows for any county whose licensing standards meet or exceed minimum State standards to license and regulate child care providers. As of October 2018, the Department was responsible for licensing and inspecting child care providers in 62 of the State's 67 counties.⁴

During the period July 2016 through January 2018, the Department licensed 5,156 child care facilities, 1,181 family day care homes, and 321 large family child care homes. The Department also registered 802 family day care homes during the period July 2016 through January 2018.

Finding 1: Child Care Provider Licensing and Registration

State law⁵ and Department rules⁶ define the applicable child care provider licensure requirements. These requirements include staff training, age, and background screening requirements, as well as time frames for applying for license renewal. To ensure that a lapse of licensure does not occur, Department rules⁷ require operators of child care facilities and family day care homes to apply for license renewal at least 45 days prior to license expiration. Failure to timely submit a completed license application constitutes a license violation and Department rules⁸ specify that the Department is to impose a \$50 administrative fine for the first violation, a \$100 fine for the second violation, and a \$200 fine for each subsequent violation within a 5-year period.

State law⁹ provides that, if a family day care home is not subject to licensure under a county ordinance or resolution, the home is to annually register with the Department. As part of the registration process, family day care homes are to provide the Department information such as the name of the home operator, the number of children served, proof that child care personnel were subject to background screenings,

² Section 402.26(3), Florida Statutes.

³ Section 402.306(1), Florida Statutes.

⁴ Broward County, Hillsborough County, Palm Beach County, Pinellas County, and Sarasota County license and regulate child care providers at the county level.

⁵ Sections 402.305, 402.313, and 402.3131, Florida Statutes.

⁶ Department Rules, Chapters 65C-20 and 65C-22, Florida Administrative Code.

⁷ Department Rule 65C-22.001(1)(d), Florida Administrative Code.

⁸ Department Rule 65C-22.010(2)(c), Florida Administrative Code.

⁹ Section 402.313, Florida Statutes.

and proof that child immunization records are current. The registration process must be completed prior to providing child care.

As part of our audit, we examined Department records for 47 of the 992 child care facilities, 28 of the 437 family day care homes, and 9 of the 76 large family child care homes licensed in Clay, Duval, Gadsden, Jefferson, Leon, Manatee, Nassau, Pasco, and Wakulla counties during the period July 2016 through January 2018. In addition, we examined Department records for 25 of the 802 family day care homes that registered with the Department during the period July 2016 through January 2018. Our examination disclosed that:

- The Department did not impose administrative fines on 4 of the 7 child care facilities and 2 of the 5 family day care homes that did not timely submit license renewal applications. The 4 child care facilities and 2 family day care homes submitted license renewal applications 2 to 37 days (an average of 14 days) late. In response to our audit inquiry, Department management indicated that administrative fines were not imposed due to employee oversight.
- For 10 of the 18 applicable registered family day care homes, Department records did not evidence that the provider's child immunization records were current. According to Department management, the immunization records were not kept due to Health Insurance Portability and Accountability Act (HIPAA) requirements and the application did not include a section to document that the immunization records had been reviewed.

Absent adequate controls over child care provider licensing and registration, the Department has reduced assurance that administrative fines will be imposed on child care providers who do not timely apply for license renewal and that providers will satisfy all registration requirements.

Recommendation: We recommend that Department management enhance oversight procedures to ensure that administrative fines are imposed on child care providers that do not timely submit license renewal applications in accordance with Department rules. We also recommend that Department management ensure that Department records evidence that registered family day care home immunization records are current.

Finding 2: Child Care Provider Reinspections

The Department's *Child Care Licensing Program Desk Reference Guide (Guide)* detailed, among other things, the inspection requirements for child care facilities, family day care homes, and large family child care homes. The *Guide* required Department staff to inspect child care facilities three times per year and family day care homes and large family child care homes two times per year. The *Guide* outlined three classes of violations that may be noted during an inspection:

- Class I violations are the most serious in nature and pose an imminent threat to a child. Examples of Class I violations included the commission of a serious act of child abuse or neglect and administering the wrong medication, incorrect dosage, or medication to a child without parental authorization.
- Class II violations are less serious in nature than Class I violations but pose a threat to the health, safety, or well-being of a child, although the threat is not imminent. Examples of Class II violations included noncompliance with staff-to-child ratios and the improper storage of toxic or hazardous materials.

- Class III violations are less serious in nature than either Class I or Class II violations and pose a low potential for harm to children. Examples of Class III violations included incomplete first aid supplies and fire drills not being documented or completed.

The *Guide* included recommended time frames for child care providers to correct violations, based on the class of the violation and the amount of time it would take to correct the deficiency. Generally, Class I violations were to be corrected at the time of inspection, Class II violations were to be corrected within 10 days, and Class III violations were to be corrected within 30 days.

As part of our audit, we examined Department records for 75 child care provider inspections (47 child care facilities and 28 family day care homes) conducted during the period July 2016 through January 2018 to determine whether the inspections were timely conducted, appropriately documented, and, if violations were noted, the Department verified through reinspection¹⁰ that violations were addressed by the corrective action due date. As summarized in Table 1, our examination disclosed that the Department did not timely conduct reinspections to determine whether 115 violations noted during 66 of the 75 inspections were corrected by the due dates. Examples of noted violations that were not subject to timely reinspection included an unscreened employee left unsupervised with children, an unclean facility where rodent or vermin were evidenced, hazards where children played, and insufficient employee training.

Table 1
Summary of Untimely Reinspections

Type of Violation	Number of Violations	Number of Business Days Between Corrective Action Due Date and Date Corrective Action Verified
Class I	1	3
Class II	24	1 to 27
Class III	90	1 to 68
Total	<u>115</u>	

Source: Department records.

In response to our audit inquiry, Department management indicated that, while reinspections were to be performed as close as possible to the corrective action due date, other issues took precedent, such as investigating complaints and conducting license renewal inspections.

Promptly following up on violations noted during inspections better ensures that child care providers timely and appropriately remedy all deficiencies noted, including violations that may pose a threat to the health, safety, or well-being of children in the provider’s care.

Recommendation: We recommend that Department management ensure that reinspections are promptly conducted to determine whether child care provider violations are timely corrected.

¹⁰ The *Guide* provided that, depending on the type of violation, reinspection may be conducted either on-site or through the receipt of documentation from the child care provider evidencing compliance.

Pursuant to State law,¹¹ the Department contracts with Community-Based Care Lead Agencies (CBCs) to provide foster care and related services, including family preservation, residential group care, foster care, foster care supervision, independent living, and family reunification. As of July 2018, the Department had service contracts with 19 CBCs.¹² Pursuant to State law,¹³ the Department is responsible for reviewing applications for foster home licenses, approving or denying licensure, and issuing foster home licenses. The Department licensed some foster homes directly and, for other foster homes, used an attestation model to administer the foster home licensing process whereby the CBCs were responsible for reviewing license applications and attesting, in writing, that the applicant met all foster home license requirements.

Finding 3: Foster Home Licensing Data

The Florida Safe Families Network (FSFN) is the State's official Statewide Automated Child Welfare Information System and the Department's official record of all foster homes licensed by the State. Department policies and procedures¹⁴ specified that all pertinent information about every investigative and case management function was to be entered in FSFN. To facilitate effective case management, FSFN must contain accurate, complete, and up-to-date information.

As part of our audit, we examined FSFN data to identify the number of initial and renewed foster home licenses issued by the Department during the period July 2016 through January 2018. Our examination disclosed that FSFN did not indicate the date an initial license was issued, distinguish between initial or renewed licenses, or reflect the entity involved in the licensing process. Specifically, FSFN did not identify whether the Department reviewed the license application and directly issued the license or whether a CBC reviewed the license application and attested to the Department that the license could be issued. In response to our audit inquiry, Department management indicated that FSFN was not originally programmed to include the initial license date, distinguish between initial or renewed licenses, or reflect the entity involved in the licensing process because only the Department can issue a license. According to Department management, a programming change to FSFN is anticipated to be completed in 2019 that will allow FSFN to retain historical licensing information.

Controls designed to ensure that FSFN foster home licensing data is complete provide the Department assurance that FSFN includes all the necessary information to make the best possible decisions on behalf of children in foster care.

Recommendation: We recommend that Department management continue efforts to enhance FSFN to ensure that FSFN indicates the date initial foster home licenses are issued, distinguishes between initial and renewed licenses, and reflects the entity involved in the licensing process.

¹¹ Section 409.986(1)(a), Florida Statutes.

¹² Two entities had separate service contracts for two designated CBC areas.

¹³ Section 409.996(5), Florida Statutes.

¹⁴ Department *Desktop Guidebook for FSFN*.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from January 2018 through August 2018 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.

This operational audit of the Department of Children and Families (Department) focused on the regulation of child care providers in Clay, Duval, Gadsden, Jefferson, Leon, Manatee, Nassau, Pasco, and Wakulla counties and the licensing of foster homes. The overall objectives of the audit were:

- To evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- To examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable governing laws, rules, or contracts, and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Department policies and procedures, and other guidelines, and interviewed Department personnel to obtain an understanding of the regulation of child care providers, licensing of foster homes, and sober home oversight rulemaking.
- From the population of 992 child care facilities, 437 family day care homes, and 76 large family child care homes licensed in Clay, Duval, Gadsden, Jefferson, Leon, Manatee, Nassau, Pasco, and Wakulla counties during the period July 2016 through January 2018, examined Department records for 47 selected child care facilities, 28 selected family day care homes, and 9 selected large family child care homes to determine whether the child care facilities and homes were licensed in accordance with applicable State laws and Department rules.
- From the population of 1,505 child care provider inspections (992 child care facilities, 437 family day care homes, and 76 large family child care homes) conducted during the period July 2016 through January 2018, examined Department records for 84 selected child care provider inspections (47 child care facilities, 28 family day care homes, and 9 large family child care homes) to determine whether the inspections were timely conducted, appropriately documented, and, if violations were noted, the Department verified through reinspection that violations were addressed by the corrective action due date.
- From the population of 802 family day care homes that registered with the Department during the period July 2016 through January 2018, examined Department records for 25 selected family day care homes to determine whether the Department registered family day care homes in accordance with applicable State laws and Department rules.
- From the population of 476 child care facilities that registered or renewed their religious exemption during the period July 2016 through January 2018, examined Department records for 25 selected child care facilities to determine whether the Department registered child care facilities claiming a religious exemption in accordance with State law.
- Analyzed Florida Safe Families Network (FSFN) data for the period July 2016 through January 2018 to assess the accuracy and completeness of foster home licensing information recorded in FSFN.
- Analyzed FSFN data for the period July 2016 through January 2018 to determine whether payments were made only to foster homes with valid licenses.
- From the population of 2,412 foster homes licensed during the period July 2016 through January 2018, examined Department records for 140 selected homes to determine whether Community-Based Care Lead Agencies administered the foster home licensing process in accordance with State law and Department rules.
- Interviewed Department management and examined the notice of proposed rules for the Substance Abuse program to determine whether the Department established minimum requirements for the licensure of each service component offered by sober home providers and whether the Department's notice met applicable statutory requirements.

- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



State of Florida
Department of Children and Families

Rick Scott
Governor

Rebecca Kapusta
Interim Secretary

January 3, 2019

State of Florida Auditor General
Sherrill F. Norman, CPA
Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman:

Pursuant to Section 11.45(4)(d), Florida Statutes, the department is submitting a written statement of corrective actions concerning the preliminary and tentative audit findings received on December 7, 2018.

Finding 1: Department procedures for imposing administrative fines on child care providers that do not timely submit license renewal applications and for ensuring and demonstrating that providers satisfied certain registration requirements need enhancement.

DCF Response:

An application mailing/receipt tracking log has been created and regional licensing specialists will begin using the log on March 1, 2019. The log will assist in tracking receipt of late applications for completing administrative actions. The Child Care Regulation Program's (program) current quarterly monitoring tool is being updated to include a review of the tracking log to ensure administrative action has been completed as required. Also, the department's legal counsel has been advised that administrative action must be taken on applications received after the due date.

Please also note that on November 20, 2018, the program implemented a Registered Family Day Care Home Renewal Checklist document. The receipt and shredding of immunization records submitted at the time of renewal will be notated on the checklist to document compliance with this standard.

Finding 2: The department did not always timely conduct re-inspections of child care providers to determine whether violations had been corrected.

DCF Response:

Of the 115 violations examined in the audit, only six violations were not followed up within the current performance tracking system of violations pending over 30 days from the corrective action date.

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Work in Partnership with Local Communities to Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency

The program will issue a policy directive stating that beginning March 1, 2019, re-inspections for violations must be completed timely; occurring as early as one day after the due date but not later than 10 business days after the due date. The desk reference guide will be updated to reflect the change in the policy directive during the next quarterly update process. Also, licensing staff will be provided the directive that when choosing corrective action dates for violations noted in an inspection report, all corrective action for class II and III violations must align to one date, and staff should ensure their schedules allow for a re-inspection to occur.

Finding 3: The Florida Safe Families Network did not indicate the date an initial foster home license was issued, distinguish between initial or renewed licenses, or reflect the entity involved in the licensing process.

DCF Response:

Florida Safe Families Network (FSFN) has been enhanced to reflect the date of an initial foster home license and distinguishes between initial and renewed licenses. These enhancements are anticipated to be released April 12, 2019. During the next five years, the department will be working to align the child welfare information system with the federal Comprehensive Child Welfare Information System (CCWIS) regulations, which include an enhanced level of data quality and data integration for licensing. The department is in the planning and procurement stages for the CCWIS project but intends to include additional provider management and data integration activities with other agencies that license providers.

If you have any questions or need additional information, please contact our office.

Sincerely,



Rebecca Kapusta
Interim Secretary

cc: JoShonda Guerrier, Assistant Secretary for Child Welfare