



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Child Day Care and Child Welfare Licensing Divisions

*Office of Children and Adult Licensing (OCAL)
 Department of Human Services*

Report Number:
 63-432-03

Released:
 May 2005

OCAL licenses and regulates child care organizations to provide protection to children receiving care from licensed agencies, facilities, and homes as required by applicable laws. OCAL regulates child day care homes and centers. OCAL also regulates child caring institutions, child placing agencies, and children's camps and licenses foster homes for children. In addition, OCAL conducts complaint, abuse, and neglect investigations of child care organizations and institutes disciplinary action when appropriate.

Audit Objectives:

1. To evaluate the effectiveness of OCAL in licensing child care organizations.
2. To evaluate the effectiveness of OCAL in conducting complaint investigations of child care organizations.

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Audit Conclusions:

1. We concluded that OCAL needs to improve its effectiveness in licensing child care organizations. Our audit disclosed three material conditions (Findings 1, 3, and 5) and three reportable conditions (Findings 2, 4, and 6).
2. We concluded that OCAL was generally effective in conducting complaint investigations of child care organizations. Our report does not include any reportable conditions related to this audit objective.

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Material Conditions:

OCAL did not always obtain necessary criminal history background information on individuals in child care organizations, including licensees, administrators, directors, and adult household members residing in day care homes. Also, OCAL did not obtain periodic updates of the criminal histories of these individuals. (Finding 1)

OCAL was not effective in performing on-site visits of child day care providers (Finding 3).

OCAL did not issue child day care licenses and renewals in a timely manner (Finding 5).

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Reportable Conditions:

OCAL had not established effective criminal history background check procedures to protect children from contact with unsuitable individuals in child care organizations (Finding 2).

OCAL had not established effective procedures to monitor child day care providers who did not submit applications for renewal of their licenses and registrations (Finding 4).

OCAL should periodically reassess the propriety of its licensing fee structure (Finding 6).

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Agency Response:

Our audit report contains 6 findings and 7 corresponding recommendations. The Department of Human Services' preliminary response indicated that it agreed with all of our recommendations.

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Background:

Executive Order No. 2003-18 transferred the authority, powers, duties, functions, and responsibilities of the former Bureau of Family Services from the Department of Consumer and Industry Services to the Family Independence Agency, effective December 7, 2003. Upon transfer, the Bureau was renamed Office of Children and Adult Licensing, which included the Child Day Care Licensing Division and the Child Welfare Licensing Division. The Family Independence Agency was renamed Department of Human Services, effective March 15, 2005, by Executive Order No. 2004-38.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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