



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
LANSING



ISMAEL AHMED  
DIRECTOR

September 30, 2008

Mr. Doug Ringler, CPA  
Director, Office of Internal Audit Services  
Office of the State Budget  
George W. Romney Building, 7th Floor  
111 South Capitol Avenue  
Lansing, Michigan 48913

Dear Mr. Ringler:

Enclosed is the Department of Human Services' response and corrective action plan to the Auditor General's report of the Performance Audit of Suitability of Child Development and Care Program Providers for the period of October 2003 through March 2006.

Sincerely,

*signed by Charles Jones*

Ismael Ahmed

Enclosure

c: Stanley Stewart  
John Sorbet  
Lisa Brewer-Walraven  
Cindy Osga

SUMMARY

- I. Recommendations Complied With
  - 2, 3, 5, 6, 7a, 8, 9, 10
- II. Recommendations Agreed With
  - A. To be Complied With
    - 1, 4
  - B. Budget Considerations
    - 7b, 7c
- III. Recommendations Disagreed With
  - None
- IV. Findings Disagreed With
  - None



**Department of Human Services**  
**Corrective Action Plan and Status of the Audit Recommendations**  
**Performance Audit of the Suitability of Child Development and Care Program Providers**  
**10/05/2003-03/04/2006**  
**Report Issued July 22, 2008**

OAG Audit Finding	Responsible Administration	Anticipated Implementation Date	Corrective Action/Update	Status
<b>Finding 01—Central Registry Records Check Processes (material weakness)</b>				
<b>The OAG recommends that DHS strengthen its Central Registry records check processes to help ensure that DHS effectively identifies individuals with substantiated histories as perpetrators of child abuse and/or neglect and prevents them from providing child day care services.</b>				
a. DHS only used the applicant's social security number to match against the Central Registry's perpetrator records. DHS did not use a combination of other identifiers, such as name and date of birth, to help determine the Central Registry status of applicants and providers.	EEC	12/01/2009	The CDC program office submitted a work order request on June 29, 2007, to expand the data that DHS uses to confirm a match on the Central Registry. This work order is currently ranked in the top three for Bridges processing.	open
b. The Central Registry does not contain social security numbers for all individuals on the registry because the social security number is not required information for the Central Registry and DHS did not match against records without a social security number.	EEC	12/01/2009	See corrective action for Finding 1a.	open
<b>Finding 02—Criminal History Checks at Enrollment (material weakness)</b>				
<b>The OAG recommends that DHS implement effective controls to detect day care aides and relative care provider applicants with unsuitable criminal histories and prevent their enrollment as child day care providers.</b>				
DHS had not implemented effective controls to detect day care aide and relative providers applicants with unsuitable criminal histories and prevent their enrollment as child day care providers. DHS relied on child day care provider applicants as its primary control to detect unsuitable applicants with criminal histories and prevent them from providing child day care services. After DHS enrolled the individuals as child day care providers, DHS would then include the individuals in its monthly check of ICHAT records. When DHS identified an active provider with an unsuitable criminal conviction during its monthly ICHAT records check, DHS would end child day care provider eligibility and flag the provider's record as criminally convicted to help prevent future reenrollment as a child day care provider.	EEC	implemented	DHS now requires local offices to do a criminal background check on all day care aides/relative providers prior to enrollment. The criminal background check includes: Central Registry, ICHAT, OTIS, PSOR, NPSOR, and FIL. In addition, DHS conducts the monthly matches with ICHAT, OTIS, and PSOR.	closed
<b>Finding 03—Public Sex Offender Registry Checks (material weakness)</b>				
<b>The OAG recommends that DHS include a review of the PSOR in its criminal history check procedures for child day care providers to help detect publicly registered sex offenders and prevent them from providing child day care services.</b>				
DHS did not include a review of the PSOR in its criminal history check procedures for child day-care providers to help detect publicly registered sex offenders and prevent them from providing child day-care services. Although DHS criminal history check procedures included a monthly check of ICHAT records for actively enrolled child day-care providers (see Finding 4), DHS did not conduct checks of the PSOR for child day-care providers.	EEC	implemented	DHS now requires local offices to do a criminal background check on all day care aides/relative providers prior to enrollment. The criminal background check includes: Central Registry, ICHAT, OTIS, PSOR, NPSOR, and FIL. In addition, DHS conducts the monthly matches with ICHAT, OTIS, and PSOR.	closed
<b>Finding 04—Monthly Criminal History Checks (material weakness)</b>				
<b>The OAG recommends that DHS (a) consistently perform monthly ICHAT records checks to identify active day care providers with unsuitable criminal convictions, (b) implement controls to help</b>				

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<b>ensure that its monthly ICHAT records check process works effectively to detect active child day care providers with DHS defined terminal convictions recorded in their ICHAT record, and (c) include active child day care providers in its monthly ICHAT records check process.</b>				
DHS did not consistently perform monthly ICHAT records checks to identify active child day-care providers with unsuitable criminal convictions. Also, DHS had not implemented controls to help ensure that its monthly ICHAT records check process worked effectively to detect active child day-care providers with DHS-defined terminable convictions recorded in their ICHAT record. Further, DHS did not include inactive child day-care providers in its monthly ICHAT records check process.	EEC	implemented  12/01/2008	DHS now requires local offices to do a criminal background check on all day care aides/relative providers prior to enrollment. The criminal background check includes: Central Registry, ICHAT, OTIS, PSOR, NPSOR, and FIL. In addition, DHS conducts the monthly matches with ICHAT, OTIS, and PSOR.  A work order was submitted on August 25, 2008, to include inactive providers in a monthly match. This monthly match will include providers who have been inactive since January 1, 2008.	open
<b>Finding 05—Terminable Crimes and Codes List (material weakness)</b>				
<b>The OAG recommends that DHS implement effective controls to help ensure that its terminable crimes and codes list is complete and includes the crime description and conviction coding information necessary to identify unsuitable child day care providers that could potentially pose harm to a child and prevent them from providing day care services.</b>				
a. DHS's terminable crimes and codes list did not include NCIC crime descriptions and codes.	EEC	implemented	DHS reviewed the PACC list in February 2007 and expanded its terminable crimes and codes list. In addition, DHS arranged to automatically receive updated PACC lists in order to maintain its terminable crimes and codes list and make immediate updates.	closed
b. DHS's terminable crimes and codes list did not include crime descriptions and numeric codes for 346 serious and dangerous felony offenses from the PACC 2006 E-Warrant Guide and the Good Moral Character Act of 1974.	EEC	implemented	See corrective action for Finding 5a.	closed
c. DHS's terminable crimes and codes list did not include current and updated coding from the PACC August 2006 E-Warrant Guide for 15 (4%) of the 357 crimes contained in the list.	EEC	implemented	See corrective action for Finding 5a.	closed
d. DHS's terminable crimes and codes list did not include historic PACC Bench Guide numeric codes for the crimes DHS defined as terminable.	EEC	implemented	See corrective action for Finding 5a.	closed
e. DHS's terminable crimes and codes list did not include 11 (48%) of the 23 sex offender registry listed offenses, such as accosting, enticing, or soliciting a child for immoral purposes; possession of child sexually abusive material; and aggravated indecent exposure.	EEC	implemented	See corrective action for Finding 5a.	closed
<b>Finding 06—Distribution of Terminable Crimes and Codes List (material weakness)</b>				
<b>The OAG recommends that DHS strengthen its controls to help ensure that updated terminable crimes and codes lists are distributed to DHS local offices in timely manner and contain complete information.</b>				
DHS controls were not effective in ensuring that updated terminable crimes and codes lists were distributed to DHS local offices in a timely manner and contained complete information.	EEC	implemented	DHS implemented a web-based directory in August 2007 that allows the CDC program to immediately update the crimes and codes list information available to local office staff.	closed

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<b>Finding 07—Suitability of Adult Household Members of Relative Care Providers and Family and Group Day Care Home Providers</b> <i>(material weakness)</i>				
<b>The OAG recommends that DHS (a) implement controls to help ensure that it obtains criminal history background information for adult household members that relative care providers report are living in their homes and updated criminal history background checks information for adult household members that family and group day care home providers report living in the home, (b) implement controls to help ensure that it periodically evaluates the Central Registry status of adult household members that relative care providers report are living in their homes, and (c) utilize internal and publicly available information to help identify unreported adult household members of relative care providers.</b>				
a. DHS policy did not require criminal history checks (ICHAT, PSOR, and/or OTIS) for adult household members that relative care providers reported were living with them.	EEC	implemented	DHS now requires local offices to conduct a criminal background check prior to enrollment for all reported adult household members living with a relative provider. Effective April 2007, criminal background checks include: Central Registry, ICHAT, OTIS, PSOR, NPSOR, and FIL (added August 2008).	closed
b. DHS policy did not require periodic checks of the Central Registry for adult household members that relative care providers reported were living with them.	EEC	n/a	DHS agrees with the recommendation, however, it does not have adequate resources for implementation. DHS would have to develop a system to retain adult household member information in order to conduct periodic data matches.	closed
c. DHS policy did not require DHS staff to perform any verification procedures using DHS internal and/or publicly available information to help identify unreported adult household members of relative care providers.	EEC	n/a	DHS agrees with the recommendation, however, it does not have adequate resources for implementation. Day Care Aides/Relative Care Providers are required to self report any changes in their household composition within 10 days. Background checks are conducted when this notification is received. However, there are more than 40,000 day care aides/relative providers who turnover at a rate of 2,000 to 3,000 per month. Implementation would require an enormous effort and there are no available resources to perform this function.	closed
<b>Finding 08—Criminal History Checks of Child Day Care Center Licensees, Licensee Designees, and Program Directors</b> <i>(material weakness)</i>				
<b>The OAG again recommends DHS implement effective controls to help ensure that it periodically obtains updated criminal histories of child day care center licensees, licensee designees, and program directors during the two year period between licensure and renewal.</b>				
DHS had not implemented effective controls to help ensure that it periodically obtained updated criminal histories of child day-care center licensees, licensee designees, and program directors during the two-year period between licensure and renewal.	BCAL	implemented	A comprehensive process is currently in place to conduct criminal history background checks on prospective and licensed child care providers. Effective January 1, 2006, child care providers applying for a new license or renewing a current license were required to submit their fingerprints for a MSP criminal history check and an FBI criminal records check. This same amendment to PA 116 also required a child care center to perform an ICHAT on all new and current employees. In mid 2007 BCAL developed the capacity to periodically conduct an MSP criminal history check on all child care providers and adult household members. Effective January 1, 2008, legislation made it possible for BCAL to receive notification from the MSP of all new arrests, arraignments and convictions for licensees previously fingerprinted. Additional legislation, effective in June 2008, required child care licensees to notify parents within 24 hours that a high risk investigation was being conducted by BCAL.	closed

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<b>Finding 09—Offender Tracking System Information System Checks</b> <i>(material weakness)</i>				
<b>The OAG recommends that DHS conduct checks of DOC's OTIS records prior to enrolling day care aides and relative care providers to help detect unsuitable individuals and prevent them from providing child day care services.</b>				
DHS did not conduct checks of DOC's OTIS records prior to enrolling day-care aides and relative care providers to help detect unsuitable individuals and prevent them from providing child day-care services.	EEC	implemented	See corrective action for Finding 7a.	closed
<b>Finding 10—DHS Child Day Care Provider Records</b>				
<b>The OAG recommends that DHS strengthen controls over its child day care provider records to help ensure that it obtains and maintains accurate and complete date of birth information for all child day care providers.</b>				
DHS should strengthen controls over its child day-care provider records to help ensure that it obtains and maintains accurate and complete date-of-birth information for all child day-care providers.	EEC	implemented	<p>The finding was related to licensed providers for which DHS did not enter the date of birth on MPS. They had the information but did not enter it. Licensing is required to enter the date of birth as well as the multiple data sources. They had the information but just did not enter it.</p> <p>DHS uses fingerprints for criminal history records checks for licensed providers and social security numbers for criminal history record checks for enrolled providers. DHS will continue to ensure that it has the ability to utilize multiple data elements (SSN, first/last names, or date of birth) for criminal history record checks.</p>	closed

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