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Comptroller follow-up report finds improvements in oversight of state's child care assistance program

The state's Division of Family Development (DFD) has improved its efforts to identify and remove ineligible participants from its child care assistance program and avoid overpayments to child care providers, according to a follow-up report issued today by the Office of the State Comptroller (OSC).

A January 2012 OSC audit found 15 percent of the program participants it sampled were actually ineligible for state assistance based on their income. At the time of the audit, there were approximately 8,000 children on the program's waiting list. That waiting list has since been eliminated, according to DFD.

OSC's follow-up report found that 11 of the 12 recommendations made in its initial audit have been implemented.

For example, the audit identified 210 cases in which participants underreported their income. The follow-up determined that DFD had terminated 152 of those participants from the program, while the other 58 remained active based on a redetermination of income completed within the past year.

DFD has also undertaken a more timely review of quarterly wage reports, compiled by a private vendor, that identify participants whose income exceeds the limits for state assistance programs. As a result, more than \$200,000 has been recovered from ineligible participants, OSC found.

OSC's 2012 audit also found the state overpaid child care providers for one out of every six children sampled in the audit. The overpayments were made for a variety of reasons, from overstated attendance figures to basic math errors. Since the audit,

DFD has created a new electronic time and attendance system. In its follow-up review, OSC looked at three child care facilities and found attendance was being reported accurately at each of them with no occurrences of overpayments.

“Since our initial audit, the Department of Human Services has made tangible improvements that have led to more effective oversight of the state’s child care assistance program and a more efficient use of the state’s financial resources,” said Acting State Comptroller Marc Larkins.

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Click [here](#) to view the complete report.

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