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**Department of Early Learning (DEL)**

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**Agency: 357**

**Audit Report:** 6663

**Finding Number:** 004

**Finding:** The Department of Social and Health Services, Division of Child Care and Early Learning, did not perform adequate monitoring for background checks.

**Resolution:** The Department of Early Learning (DEL) was established as a separate agency effective July 1, 2006. DEL is responding to this finding.

An administrative policy was sent to all licensing staff that directed them to record staff names on checklists when conducting licensing or monitoring visits. This policy also provided instructions to licensors on the requirement that they conduct personnel file reviews on employees whose files have not been reviewed in a previous licensing or monitoring visit.

Licensors were further instructed to print a list of names of persons associated with the license from the DEL Background Check application prior to conducting a licensing or monitoring visit. Licensors were trained to compare that list to the licensee's payroll list. If an employee is not listed, the licensor confirms whether or not that employee is required to have a background check. If a background check is required and has not been obtained or submitted for an employee, licensors complete a Facility License Compliance Agreement and follow up within fourteen days to ensure that the background check application is submitted and processed. Employees that are required to have a background check cannot work with children in an unsupervised environment until the background check is completed.

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**Department of Early Learning (DEL)**

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**Agency: 357**

**Audit Report:** 2006 F

**Finding Number:** 025

**Finding:** The Department of Social and Health Services and the Department of Early Learning do not have adequate internal controls over direct payments made to child care providers.

**Resolution:** The Department of Early Learning (DEL) was established as a separate agency effective July 1, 2006. Effective October 1, 2007, DEL took over from the Department of Social and Health Services (DSHS) as the administrator of the grant funds and is primarily responsible for ensuring adequate internal controls over direct payments made to child care providers. Thus, DEL is responding to this finding.

On May 10, 2007, DEL sent a memo to licensed and certified child care providers along with the Department's newly updated booklet, "Child Care Subsidies: A Booklet for Licensed and Certified Child Care Providers." The memo stressed the importance of keeping accurate attendance records and providing records when requested by DEL. The related WAC rules were attached to the memo. The local licensing offices followed up with providers that did not send requested information to the auditor.

The auditor also recommended that provider attendance records are reconciled to payments. DEL and DSHS do review attendance when there is concern or issues arise on a particular provider. There are an average of 12,000 providers and 60,000 children each month, making manual attendance record comparison unrealistic. Prior to the creation of DEL, DSHS was evaluating attendance records using an electronic attendance keeping system that tied into an electronic payment system. Until an automated system can be developed by DEL, only problem providers and random attendance checking can occur. DEL and DSHS have recently started discussions on random checking.

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**Department of Early Learning (DEL)**

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**Agency: 357**

**Audit Report:** 2006 F

**Finding Number:** 026

**Finding:** The Department of Social and Health Services and the Department of Early Learning do not have adequate internal controls in place to ensure only eligible clients receive federal child care subsidies.

**Resolution:** *Refer to page 41 for the joint response from the Departments of Early Learning and Social and Health Services on this finding.*