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STATE AUDITOR

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Office of the State Auditor

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July 31, 1996

Mr. C. Robin Britt, Sr., Secretary
North Carolina Department of Human Resources
Adams Building
101 Blair Drive
Raleigh, North Carolina 27626-0526

Dear Secretary Britt:

We have completed a performance review of the Child Day Care Program of the Department of Human Resources Division of Child Development. Our work was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our objectives were to review the program for licensing and licensing renewal of child day care facilities and to determine if the operations of the sections administering these functions could be managed more efficiently. We are advising you of our findings through this management letter since we identified only minor issues.

Expiration Date on Permits

North Carolina General Statute 110-94(b) states, "the Secretary of Human Resources shall issue a license for no more than 12 months." The North Carolina Administrative Code states that the existing license remains valid until the issuing agency takes action to reissue, renew, or revoke the permit. The Division is meeting the annual renewal schedule for the majority of facilities. When annual renewals are not accomplished, the following problems are caused:

- child care owners feel without a current permit they are not operating "legally;"
- the consultants' caseload balances and scheduling of inspections are affected by the seasonal push for renewal visits; and
- in the past, the Department of Public Instruction's Child Nutrition Services personnel have cut off funding to owners participating in the federal Child & Adult Care Food Program because the date on the permit had expired (although the permit was not actually invalid). The Child Nutrition Section has now been transferred to the Department of Environment, Health and Natural Resources.

We suggest the Division review both the General Statute and Administrative Code to recommend changes which would allow flexibility regarding inspection visits.

Mr. C. Robin Britt, Sr., Secretary

July 31, 1996

Page 2

Abuse & Neglect Intake Process

We noted that the intake consultants manually take notes concerning the intake calls and then type them on the computer template. This process appears to be unnecessarily time consuming. Management should monitor and evaluate this process. The template may need to be redesigned to be more user friendly.

Time Reporting System

The current time reporting system requires each employee to record on his/her time sheet only leave taken by type (vacation/sick leave) and compensatory time earned/taken. This is in compliance with Office of State Personnel policy. Employees are not required to record actual time worked per function (inspections, complaint investigations, workshop presentations, etc.) although an "hours worked" column is included on their time sheet. The daily identification of hours worked per function would help management in evaluating/analyzing consultant caseloads, scheduling staff development training, and conducting workshops.

Job Descriptions

We noted that significant changes have occurred in the organizational structure and in some job assignments within the last year. New job descriptions need to be written to reflect these changes.

Policies and Procedures Manual

All sections did not have complete and/or current policies and procedures manuals at the time of our review. Recently, Division management indicated they would revive their efforts to complete the manuals. Management should complete and/or update the manuals as soon as possible in order to enhance daily operations.

In accordance with our policies and procedures, we request that your office provide us with a written response to the issues identified in this management letter. The response should be delivered to this office no later than August 30, 1996, in order to be included with the distribution of this management letter.

If you wish to discuss any of the issues above, please let us know. We appreciate the courtesy, cooperation, and assistance provided us during this review by your staff.

Sincerely,

Ralph Campbell, Jr.
State Auditor

RCjr:dr

Management letters and responses receive the same distribution as audit reports.



North Carolina Department of Human Resources

101 Blair Drive • Post Office Box 29526 • Raleigh, North Carolina 27626-0526
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James B. Hunt Jr., Governor

C. Robin Britt, Sr., Secretary

September 3, 1996

Mr. Ralph Campbell, Jr., State Auditor
Office of the State Auditor
300 N. Salisbury Street
Raleigh, NC 27603-5903

Dear Mr. Campbell:

Enclosed is our response to the management letter from your office concerning the findings about the program for the licensing of child day care facilities in the Division of Child Development. Participating in this program review gave Division staff an opportunity to examine administrative procedures and focus on modifications to enhance efficiency and improve service to current and potential day care providers.

Our response describes how the Division will attempt to address the issues you have identified. Talitha Wright, Section Chief for Regulatory Services, will be glad to provide additional information if needed. She may be reached at (919) 662-4527.

Sincerely,

A handwritten signature in black ink that reads "Robin Britt".

C. Robin Britt, Sr.

CRB/tw

Enclosure

RESPONSE TO MANAGEMENT LETTER CONCERNING LICENSING OF CHILD DAY CARE FACILITIES

Expiration Date on Permits

The Division has previously recommended changes in the General Statutes which would lengthen the period of time between license renewals. We will pursue this revision or seek a change that would allow the issuance of a "perpetual" license.

It should be noted that a major factor contributing to delays in completing permit renewal is the growth in the number of day care centers and homes without a corresponding proportionate increase in the number of licensing staff. From January 1990 to January 1996, there was a 22% increase in the number of regulated child day care programs with only a 7% increase in the number of regulatory staff. The average caseload for each child day care licensing consultant is 160 day care centers and homes combined. In 1990, a report from the Office of the U.S. Inspector General stated that time study data suggest a center caseload of 55 centers is appropriate or a caseload of 104 homes. (There was no recommendation for a combined caseload.) The Division's goal is to be able to visit each day care center a minimum of 2 times per year and to visit each day care home a minimum of once per year. In order to accomplish this, the caseloads would need to be reduced to no more than 100 centers and homes per consultant.

In summary, while changing the length of time between renewals would afford more flexibility in scheduling, when total visits to be conducted exceed the amount of time and staff available to do them, permit renewals will continue to be delinquent.

Abuse & Neglect Intake Process

The intake consultants manually take notes about in-coming complaints in order to allow the conversation with the caller to proceed naturally and to minimize interrupting the caller. Experience has shown that callers reveal more information when allowed to tell their "story" at their own pace, without being forced to respond to scripted questions. Of course the intake consultants ask questions to obtain as much relevant information as possible, but they do so within the context of a dialogue which hopefully helps re-assure the caller and projects an attitude of concern. Once the intake call is completed, the intake consultant reviews her notes and filters out irrelevant information. Only the pertinent information is recorded using the computer template.

Regulatory management staff will continue working with Division automation staff to try and streamline the intake process. An alternative automated complaint form for reports that are referred to the licensing staff for investigation has already been developed. This may help reduce the amount of time taken to transcribe intake notes.

Time Reporting System

Management intends to devise some method for staff to report this information so that it can be used to develop more efficient operational standards. The "hours worked" column on the time sheet is not really adequate. Since only one small line is allotted to each day, an employee would not have space to enter more than one activity. We agree that having information on time staff devote to various activities would be very valuable. (Note: This information has periodically been captured in the past and staff have reported on training events they have conducted and attended.)

Job Descriptions

Due to recent re-structuring within the Division, all Regulatory job descriptions are being reviewed and will be up-dated to reflect changes in responsibilities as needed.

Policies and Procedures Manual

While we acknowledge the importance of finalizing the policy and procedures manuals, we also must point out that staff who are working on these manuals have taken this task on as a special project. They must fit work on the manuals into their on-going routines and often have to give priority to renewal and pre-licensing visits, complaint investigations, etc. We have completed procedures and instructions for all automated licensing forms and have conducted training sessions for all Regulatory Section staff in their use. Another project nearing completion is a user's manual for the Regulatory Information System that was activated earlier this year.

As required for disclosure by G.S. §143-170.1, 375 copies of this public document were printed at a cost of \$30.00 or 8¢ per copy.