

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.

**Ron DeSantis**

Governor

Scott A. Rivkees, MD

State Surgeon General

Vision: To be the **Healthiest State** in the Nation

October 23, 2020

Scott A. Rivkees, MD
State Surgeon General
4052 Bald Cypress Way
Tallahassee, Florida 32399

Dear Dr. Rivkees:

Enclosed is our report # C-1920-001, *The Department's Child Care Food Program, A Consulting Project*. This report provides an independent evaluation of the Bureau of Child Care Food Program's contract, reimbursement, and monitoring processes.

The consulting engagement was conducted by Ashlea K. Mincy, CIGA, Senior Management Analyst II, and supervised by Mark H. Boehmer, CPA, Director of Auditing.

Management agreed with the recommendations for process improvement identified in the report. While a consulting engagement does not require periodic updates, management requested our office conduct follow-ups to ensure appropriate actions are taken to strengthen controls. We will provide you a status update in six months detailing the progress management has made toward addressing the proposed corrective actions included in Appendix A of the report.

If you wish to discuss the report, please let me know.

Sincerely,

Michael J. Bennett, CIA, CGAP, CIG
Inspector General

MJB/akm
Enclosure

cc: Melinda M. Miguel, Chief Inspector General, Executive Office of the Governor
Lisa Norman, CPA, Office of the Auditor General
Shamarial Roberson, DrPH, MPH, Deputy Secretary for Health
Mike Mason, Assistant Deputy Secretary for Health
Mark H. Boehmer, CPA, Director of Auditing



FLORIDA DEPARTMENT OF HEALTH
OFFICE OF INSPECTOR GENERAL

THE DEPARTMENT'S CHILD CARE FOOD PROGRAM,
A CONSULTING PROJECT

Report # C-1920-001 • October 23, 2020

Purpose of this project:

Management of the Department of Health's (Department) Division of Community Health Promotion requested a consulting project to determine whether adequate controls are in place to reasonably ensure that the Child Care Food Program (CCFP) is operating in compliance with program requirements.

What we examined:

The Bureau of Child Care Food Programs administers the CCFP and two related programs, the Afterschool Meals Program and the Homeless Children Nutrition Program. Agreed upon objectives for this project included an evaluation of the adequacy of CCFP's contracting and monitoring controls over participating institutions, facilities, and sponsoring organizations (collectively referred to hereafter as providers), to provide CCFP management with an assessment of current operations, including identified areas of control weaknesses.

Summary of results:

While CCFP is largely in compliance with requirements and continues to update processes to ensure the program works efficiently and effectively, we identified the following areas that management should address to increase transparency, improve processes, operate in compliance with requirements, and help minimize the potential for fraud.

- Transparency would be improved when older active contracts are added to the *Florida Accountability Contract Tracking System (FACTS)*.
- Improving the timeliness and accuracy of data from the Department of Children and Families would prevent undue payments and increase workload efficiencies.
- Consistency in conducting and documenting monitoring visits could be improved.
- Additional steps could be taken to decrease any perceived or actual conflicts of interest in hiring staff from a CCFP provider.

Additional details related to this project follow below. Management's response to the issues noted in this report may be found in **Appendix A**.

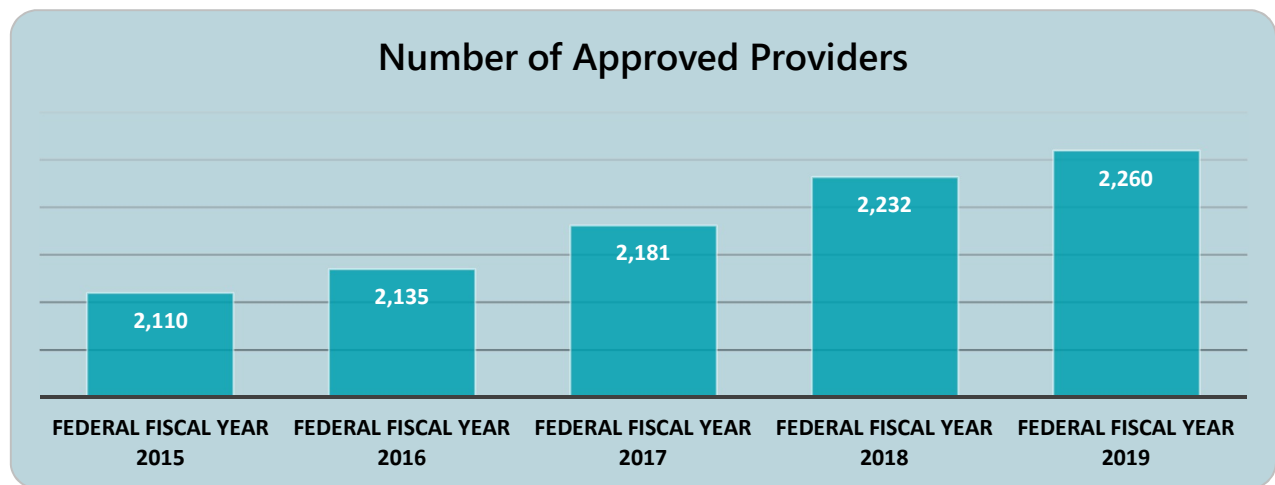
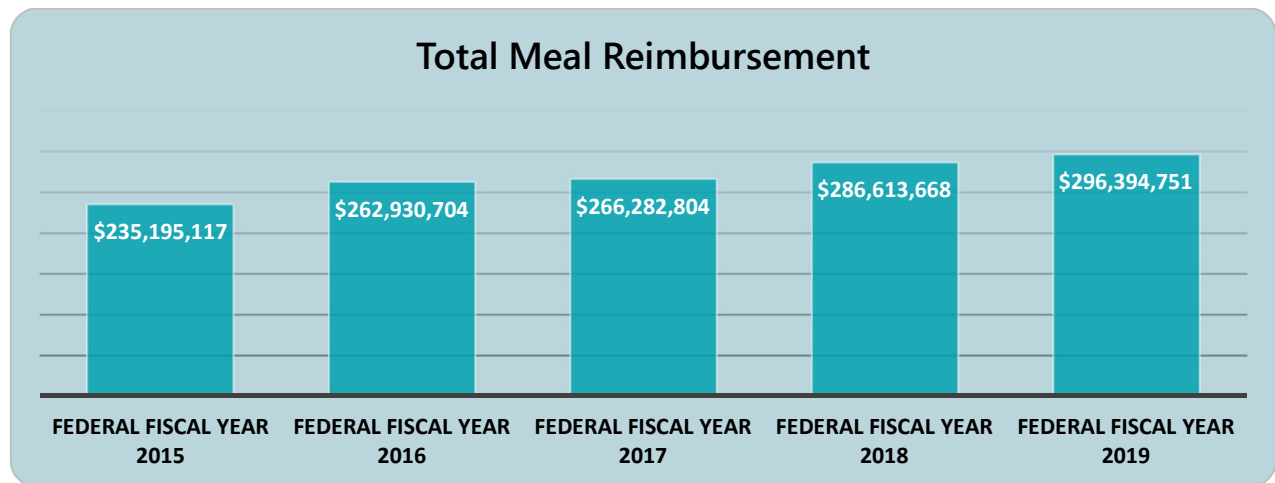
BACKGROUND

The CCFP is a federally funded program of the U.S. Department of Agriculture (USDA) that provides nutritious meals and snacks to eligible children, contributing to the wellness, healthy growth, and development of young children who are enrolled with participating providers. Research shows that well-nourished children are healthier, more attentive, and have better mental performance than children who are under-nourished. The research indicates the CCFP meals provided to children are healthier than those that are brought from home. CCFP assists providers with implementing "best practices" to ensure a variety of nutritious foods, that promote healthy growth and reduce obesity risks, are available to children. Meals served by participating providers must meet minimum guidelines set out by the USDA. It is the Department's

responsibility to monitor operations and maximize use of program funding to ensure these requirements are met.

Participating providers may include child care centers; afterschool programs; family day care homes; homeless and domestic violence shelters; and sponsoring organizations. Sponsoring organizations are institutions that administer the CCFP for multiple facilities.

Approved providers utilize CCFP's *Management Information and Payment System* (MIPS) to file claims for reimbursement for meals, and upload and download CCFP forms and documents. MIPS is configured to ensure providers cannot file duplicate claims or claim reimbursement for meals that exceed licensed capacity. MIPS also maintains detailed information on each approved provider participating in the CCFP program.



*Data Source: Bureau of Child Care Food Programs

DETAILED RESULTS AND RECOMMENDATIONS

We wanted to provide a fair and accurate representation of CCFP's normal processes prior to COVID-19, therefore, we used data from the October 1, 2018 until September 30, 2019 federal fiscal year to select most of the contractors for our samples. CCFP's processes may have been impacted by the COVID-19 pandemic.

We identified the following opportunities for improving effectiveness and efficiencies in operations:

1. Transparency would be improved when older active contracts are added to FACTS.

- The Chief Financial Officer, in accordance with the *Transparency Florida Act*¹, established and maintains FACTS, a secure contract tracking system available for public viewing. The *Transparency Florida Act* requires each state entity to post contract information in FACTS within 30 calendar days after executing a contract.
- We searched FACTS for 30 randomly selected CCFP contracts and found only two of the contracts were in FACTS.
- The 28 contracts not in FACTS were executed prior to the CCFP routing the contracts through the Department's Office of Contracts. A position has subsequently been designated in the Office of Contracts to ensure all CCFP contracts are properly reviewed and uploaded to FACTS in accordance with Department policies and procedures.

Recommended process improvement:

CCFP management should ensure all contracts, including those that were executed prior to the new process implementation of routing through the Office of Contracts, be uploaded to FACTS in accordance with the Transparency Florida Act.

2. Improving the timeliness and accuracy of data from the Department of Children and Families would prevent undue payments and increase workload efficiencies.

- The USDA's *Monitoring Handbook for State Agencies* requires the location where child or adult care is provided to have a current license posted and may not have more children or adults in care than stated on the license.
- The Department of Children and Families (DCF) *Childcare Administration, Regulation & Enforcement System* (CARES) contains all relevant information pertaining to a child care provider; including, but not limited to, name, address, license number, provider type, capacity, and facility inspection results unrelated to CCFP from the previous three years.
- CCFP relies on a report from DCF listing all closed childcare providers in Florida, whether due to voluntary closure, expired/non-renewal of license, or revocation of license. CCFP manually compares the list to MIPS to identify providers that are a part of the CCFP, to make sure they are terminated.
- We reviewed 20 randomly selected CCFP providers' license and reimbursement dates as of July 15, 2020. Eight providers (40%) received reimbursement for months in which, according

¹ Section 215.985(14), Florida Statutes

to data in MIPS, the license was not currently valid. Please see examples in table below:

Provider	License Expiration in MIPS as of July 15, 2020	Reimbursement Made After Expiration
Provider #1	September 14, 2019	October, November, and December 2019 January, February, March, April, May, and June 2020
Provider #2	December 8, 2019	January, February, March, May, and June 2020
Provider #3	October 7, 2019	November, and December 2019 January 2020

- The current process of manually comparing the DCF report to CCFP providers increases the potential of human error. In 2019, a provider that was no longer in business or licensed appeared to submit a fabricated license to CCFP and received reimbursement.

Recommended process improvement:

CCFP staff would be immediately prompted to investigate and terminate an unlicensed provider if MIPS were updated to communicate with CARES, with live updates of licenses and expiration dates. While this control would prevent reimbursements paid to CCFP providers without a current license, CCFP staff should conduct a cost benefit analysis to ensure this control would not possibly create other unintended consequences, such as delays in the reimbursement of legitimate claims.

3. Consistency in conducting and documenting monitoring visits could be improved.

- CCFP's *Stand Alone Monitoring Plan 10-2018* recommends a minimum of one unannounced meal review each fiscal year. Some providers may be placed on a two-year review cycle if they consistently have reviews with minimal or no findings, with approvals from the Regional Supervisor and Field Operations Administrator.
- Program Specialists use checklists to document their conclusions when conducting monitoring visits.
- A provider received numerous deficiencies during an onsite monitoring visit in September 2018. Follow-up monitoring visits through November 2018 continued to note deficiencies. During the November 2018 monitoring visit, the Program Specialist stated the outstanding deficiencies would be reviewed during the next monitoring visit. The provider did not have a monitoring visit during the subsequent 18 months. CCFP management noted that the delays were caused due to vacancies and hurricane emergencies.
- While USDA regulations do not require a supervisory review of monitoring visit evaluations, CCFP implemented this process as a best practice and recommends the Regional Supervisor conduct the review within 10 days of receipt of the final review.
- Documentation showed that for eight monitoring visits, the Regional Supervisor did not sign off to document their review for 13 to 154 days after the Program Specialists completed the visit. It is important to timely review the visit documentation to ensure the information is correct. For example, our project identified a monitoring visit that was noted as a desk review when it was actually an onsite monitoring visit.
- Documentation for a monitoring visit also indicated that a particular Program Specialist conducted the actual visit, while another Program Specialist signed the documentation. It was determined that the Program Specialist conducting the visit was being trained and the trainer signed the documentation due to the system not allowing more than one Program Specialist to sign the documentation.

- In numerous instances the Regional Supervisor's name was either illegible or not on the documentation.

Recommended process improvement:

CCFP management should implement processes to ensure monitoring visits are consistently conducted and appropriately documented, including a supervisor review.

4. Additional steps could be taken to decrease any perceived or actual conflicts of interest in hiring staff from a CCFP provider.

- CCFP employed 34 Program Specialists and Regional Supervisors between October 1, 2018 and June 30, 2020.
- While there currently are no regulations that prohibit the CCFP from hiring individuals from a CCFP provider, it is best practice to hire individuals without a potential conflict of interest.
- A review of applications and reference checks determined 10 of the 34 Program Specialists and Regional Supervisors previously worked for a CCFP provider prior to working for CCFP.
- Three of the 10 identified as previously working for a CCFP provider were assigned to monitor their former employer.
- Previously being employed by a CCFP provider does not automatically result in a conflict of interest, but increases the potential for favoritism, abuse, or fraud.
- CCFP has subsequently taken steps to ensure staff are not assigned to monitor former employers and now require all staff to disclose any conflicts of interest by signing a *Conflict of Interest* attestation.

Recommended process improvement:

CCFP management should sufficiently research and document potential hire backgrounds to ensure they are not assigned to monitor former employers that received federal funds through the CCFP.

SUPPLEMENTAL INFORMATION

Section 20.055, Florida Statutes, charges the Department's Office of Inspector General with responsibility to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in government.

Ashlea K. Mincy, CIGA, Senior Management Analyst II, conducted the consulting engagement under the supervision of Mark H. Boehmer, CPA, Director of Auditing.

Our methodology included a review of applicable Code of Federal Regulations, Florida law², the USDA's *Monitoring Handbook for State Agencies*, the Program's *Stand Alone Monitoring Plan 10-2018*, FACTS, and MIPS.

This consulting engagement was conducted in conformance with International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors, as provided by Section 20.055(5)(a), Florida Statutes.

We will monitor the disposition of results to the extent agreed upon with the Division of Community Health Promotion management.

We want to thank management and staff in the Department's Bureau of Child Care Food Programs for the information and documentation they provided, and for their cooperation throughout the project.

Copies of all final reports are available on our website at www.floridahealth.gov (search: internal audit). If you have questions or comments, please contact us by the following means:

Address:

4052 Bald Cypress Way, Bin A03,
Tallahassee, FL 32399

Email:

inspectorgeneral@flhealth.gov

Phone:

850-245-4141

² Florida Statutes, Florida Administrative Code

APPENDIX A: MANAGEMENT RESPONSE

	Recommended process improvement	Management Response
1	<i>CCFP management should ensure all contracts, including those that were executed prior to the new process implementation of routing through the Office of Contracts, be uploaded to FACTS in accordance with the Transparency Florida Act.</i>	<p>We concur.</p> <p>The CCFP Program is working with the Department's Office of Contracts to create a plan to have the older active CCFP contracts uploaded to FACTS. The CCFP Program will provide funding for additional OPS staffing resources, if needed, to complete this task.</p> <p><i>Contact: Brenda Lane</i></p> <p><i>Anticipated Completion Date: March 31, 2021</i></p>
2	<i>CCFP staff would be immediately prompted to investigate and terminate an unlicensed provider if MIPS were updated to communicate with CARES, with live updates of licenses and expiration dates. While this control would prevent reimbursements paid to CCFP providers without a current license, CCFP staff should conduct a cost benefit analysis to ensure this control would not possibly create other unintended consequences, such as delays in the reimbursement of legitimate claims.</i>	<p>We concur.</p> <p>Each month CCFP receives a report from DCF listing all closed childcare providers in Florida, whether due to voluntary closure, expired/non-renewal of license, or revocation of license. CCFP compares that list to MIPS to make sure those sites are terminated immediately.</p> <p>Going forward with the modernization of MIPS, we plan to have MIPS daily "talk" with DCF's CARES system so we will be instantly informed of any licenses that are not renewed. This will prompt us to investigate and terminate the unlicensed site, if applicable. With this new process in place, we will collect an initial paper license, but then not need to collect them again. The site will be considered licensed unless we are notified otherwise by DCF's CARES system.</p> <p><i>Contact: Ellen Farrell</i></p> <p><i>Anticipated Completion Date: November 1, 2021</i></p>
3	<i>CCFP management should implement processes to ensure monitoring visits are consistently conducted and appropriately documented, including a supervisor review.</i>	<p>We concur. Management action completed.</p> <p>CCFP has implemented an online review tool that provides updates through the entire review process. This new tool allows for reports to be pulled at any given time to track the status of each review. Supervisors also receive notification when they have reviews to complete once it has been routed to them within the tool.</p> <p><i>Contact: Danielle Sharp</i></p>
4	<i>CCFP management should sufficiently research and document potential hire backgrounds to ensure they are not assigned to monitor former employers that received federal funds through the CCFP.</i>	<p>We concur. Management action completed.</p> <p>CCFP worked closely with CCFP's attorney, as well as the Human Resource attorney, in 2019 to develop a Conflict of Interest Attestation, disclosing any past relationships and disclosing any knowledge of any fraudulent activities with any sponsoring organization. All current CCFP employees completed this attestation. The attestation is included in the CCFP's new hire packet and all new employees must sign the attestation. CCFP follows the recommendation from legal that the CCFP does not assign former sponsor staff to the same sponsoring organization for a period of two years.</p> <p><i>Contact: Danielle Sharp</i></p>