

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**SOME SOUTH CAROLINA FAMILY
CHILDCARE HOMES DID NOT
ALWAYS COMPLY WITH STATE
HEALTH AND SAFETY
REQUIREMENTS**

*Inquiries about this report may be addressed to the Office of Public Affairs at
Public.Affairs@oig.hhs.gov.*



**Gloria L. Jarmon
Deputy Inspector General
for Audit Services**

**October 2015
A-04-14-08031**

Office of Inspector General

<http://oig.hhs.gov>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

Office of Audit Services

The Office of Audit Services (OAS) provides auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

Office of Evaluation and Inspections

The Office of Evaluation and Inspections (OEI) conducts national evaluations to provide HHS, Congress, and the public with timely, useful, and reliable information on significant issues. These evaluations focus on preventing fraud, waste, or abuse and promoting economy, efficiency, and effectiveness of departmental programs. To promote impact, OEI reports also present practical recommendations for improving program operations.

Office of Investigations

The Office of Investigations (OI) conducts criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, and beneficiaries. With investigators working in all 50 States and the District of Columbia, OI utilizes its resources by actively coordinating with the Department of Justice and other Federal, State, and local law enforcement authorities. The investigative efforts of OI often lead to criminal convictions, administrative sanctions, and/or civil monetary penalties.

Office of Counsel to the Inspector General

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support for OIG's internal operations. OCIG represents OIG in all civil and administrative fraud and abuse cases involving HHS programs, including False Claims Act, program exclusion, and civil monetary penalty cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements. OCIG renders advisory opinions, issues compliance program guidance, publishes fraud alerts, and provides other guidance to the health care industry concerning the anti-kickback statute and other OIG enforcement authorities.

Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC
at <http://oig.hhs.gov>

Section 8M of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG Web site.

OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

EXECUTIVE SUMMARY

The State agency's monitoring did not always ensure that the homes we reviewed in South Carolina complied with State requirements related to the health and safety of children.

WHY WE DID THIS REVIEW

The Administration for Children and Families provides Federal grants through several programs, including Head Start and the Child Care and Development Fund (CCDF). In a previous report summarizing the results of 24 audits of Head Start grantees, we described multiple health and safety issues that put children at risk (report number A-01-11-02503). To determine whether similar health and safety risks exist at family childcare homes (homes) that received CCDF funding, we selected for review 20 homes that received CCDF funding in South Carolina. We conducted this audit of the South Carolina Department of Social Services (State agency) in conjunction with our review of four childcare centers (report number A-04-14-08032).

The objective of our audit was to determine whether the State agency's monitoring ensured that homes that received CCDF funds complied with State requirements related to the health and safety of children.

BACKGROUND

The CCDF, authorized by the Child Care and Development Block Grant (CCDBG) Act and the Social Security Act § 418, assists low-income families, families receiving temporary public assistance, and families transitioning from public assistance to obtain child care so that parents may work or obtain training or education. Combined funding for the CCDF program for fiscal year 2012, including the block grant's discretionary fund and the CCDF mandatory and matching funds, was approximately \$5.2 billion nationwide.

As the lead agency, the State agency is responsible for monitoring programs and services, ensuring compliance with the rules of the program, and promulgating regulations to govern the administration of the plan. Additionally, the State agency is responsible for childcare licensing and developing suggested standards that serve as guidelines for the operators of homes and the parents of children who use the service. The State agency must visit the homes when the community expresses concerns regarding the health and safety of the children.

WHAT WE FOUND

The State agency's monitoring did not always ensure that homes that received CCDF funds complied with State guidelines or requirements related to the health and safety of children. Of the 20 homes we selected for review:

- 16 did not comply with 1 or more of the guidelines for physical conditions;
- 9 did not comply with guidelines for child records;

- 4 did not comply with training requirements; and
- 4 were not available during operating hours to complete our unannounced inspection, which prevented us from assessing the physical conditions and children’s records within these homes related to the health and safety of children in their care.

The instances of noncompliance occurred because the State agency did not have mandatory regulations to protect the health and safety of children that apply to all providers who receive CCDF funds, as required by 45 CFR § 98.41, but instead had guidelines only for physical conditions in homes and prevention and control of infectious disease. With respect to employee training requirements, the State agency identifies on its Web site those homes that are not in compliance; however, it is not required to impose additional penalties for training deficiencies. As a result, the health and safety of children in those CCDF-funded homes that are not licensed may be at risk.

WHAT WE RECOMMEND

We recommend that the State agency:

- conduct an annual inspection of registered family childcare homes in accordance with the CCDBG Act of 2014;
- ensure that the program complies with Federal health and safety requirements for CCDF providers, including establishing mandatory building, premises, and immunization requirements;
- ensure that CCDF homes complete and submit to the State agency documentation of the minimum 2 hours per year of training for all personnel and impose penalties for failure to comply; and
- ensure that required documentation is included in the children’s records.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency concurred with our recommendations and provided information on actions that it has taken or plans to take to address our recommendations.

TABLE OF CONTENTS

INTRODUCTION	1
Why We Did This Review	1
Objective.....	1
Background	1
South Carolina Department of Social Services	2
Related Office of Inspector General Work	2
Child Care Aware of America	2
Child Care and Development Block Grant Act of 2014.....	3
How We Conducted This Review	3
FINDINGS	4
Homes Did Not Always Comply With Physical Conditions Guidelines or Requirements.....	4
Homes Did Not Always Comply With Training Requirements	7
Homes Did Not Always Comply With Children’s Health Records Guidelines.....	8
Causes of Noncompliance With Health and Safety Guidelines and Requirements.....	8
RECOMMENDATIONS.....	8
STATE AGENCY COMMENTS	9
APPENDIXES	
A: Audit Scope and Methodology	10
B: Federal Laws and Regulations and State Guidelines and Requirements	12
C: Photographic Examples of Noncompliance With Physical Conditions Guidelines or Requirements.....	21
D: Instances of Noncompliance at Each Visited Home	28
E: State Agency Comments	29

INTRODUCTION

WHY WE DID THIS REVIEW

The Administration for Children and Families (ACF) provides Federal grants through several programs, including Head Start and the Child Care and Development Fund (CCDF). In our previous report summarizing the results of 24 audits of Head Start grantees,¹ we described multiple health and safety issues that put children at risk. To determine whether similar health and safety risks exist at family childcare homes (homes)² that received CCDF funding, we selected for review 20 homes that received CCDF funding in South Carolina. We conducted this audit of the South Carolina Department of Social Services (State agency) in conjunction with our review of four childcare centers (report number A-04-14-08032).

OBJECTIVE

Our objective was to determine whether the State agency's monitoring ensured that homes that received CCDF funds complied with State requirements related to the health and safety of children.

BACKGROUND

Authorized by the Child Care and Development Block Grant (CCDBG) Act (42 U.S.C. § 9858 et seq.) and section 418 of the Social Security Act (42 U.S.C. § 618), the CCDF assists low-income families, families receiving temporary public assistance, and families transitioning from public assistance to obtain child care so that parents may work or obtain training or education. Combined funding for the CCDF program for fiscal year 2012, including the block grant's discretionary fund and the CCDF mandatory and matching funds, was approximately \$5.2 billion nationwide.

The CCDBG Act and Federal regulations require the State to maintain a plan that requires State or local law to protect the health and safety of children, and the plan must certify that procedures are in effect to ensure that childcare providers comply with these requirements (42 U.S.C. §§ 9858c(c)(2)(F) and (G) and 45 CFR §§ 98.15(b)(5) and (6)).

Federal regulations (45 CFR § 98.10) require States to designate a lead agency to administer the CCDF program. Federal regulations also state that, in retaining overall responsibility for the administration of the program, the lead agency must ensure that the program complies with the approved plan and all Federal requirements and must monitor programs and services (45 CFR §§ 98.11(b)(4) and (6)).

¹ *Review of 24 Head Start Grantees' Compliance With Health and Safety Requirements* (A-01-11-02503, issued December 13, 2011).

² Family childcare home: A facility within a residence occupied by the operator in which childcare regularly is provided for no more than six children, unattended by a parent or legal guardian, including those children living in the home and the children received for childcare who are related to the resident caregiver (South Carolina Statute 63-13-810(A)).

Federal regulations (45 CFR § 98.41) require that the Lead Agency certify that there are requirements in effect to protect the health and safety of children that are applicable to childcare providers receiving CCDF funds. Requirements must address (1) prevention and control of infectious diseases (including immunization), (2) building and physical premises safety, and (3) minimum provider health and safety training.

South Carolina Department of Social Services

The State agency is the lead agency and is responsible for monitoring programs and services, ensuring compliance with the rules of the program, and promulgating regulations to govern the administration of the plan (*Child Care and Development Fund Plan for South Carolina*). Additionally, the State agency is responsible for childcare licensing and developing suggested standards that must serve as guidelines for the operators of homes and the parents of children who use the service (SC Code of Laws § 63-13-180(A)). We refer to these suggested standards as “guidelines” for purposes of this report. The State guidelines related to the physical conditions of a home depend on whether an operator is registered or licensed:

A family childcare home which elects to participate in a federal program which requires licensing as a prerequisite to participation may elect to be licensed under the procedures in Section 63-13-820. A family childcare home electing licensing shall demonstrate compliance with the suggested standards developed by the [State agency] under Section 63-13-180 ... (SC Code of Laws § 63-13-810(C)).

The State agency must visit registered homes only when concerns are expressed by the community regarding the health and safety of the children (SC Code of Laws § 63-13-840(A)).³

Related Office of Inspector General Work

The Office of Inspector General, Office of Evaluation and Inspections (OEI), issued an Early Alert Memorandum Report on July 11, 2013, to ACF entitled *License-Exempt Child Care Providers in the Child Care and Development Fund Program* (OEI-07-10-00231). OEI concluded that States exempt many types of childcare providers from licensing and that these providers are still required to adhere to Federal health and safety requirements to be eligible for CCDF payments.

Child Care Aware of America

Child Care Aware of America (CCAA) (formerly the National Association of Child Care Resource & Referral Agencies) published a 2012 update, entitled *Leaving Children to Chance*,

³ One of the homes that we selected for review was licensed instead of registered and thus was subject to at least two unannounced inspections per year and one announced visit every 2 years (*South Carolina State Plan*, section 3.1.3(a)).

which reviewed and ranked State regulations for small family childcare homes.⁴ CCAA stated that without inspections or monitoring of providers, regulations alone have limited value. CCAA added that when providers are not inspected, it is difficult for a State to enforce its regulations and suspend or revoke the licenses of individuals who are not in compliance. CCAA recommended that States increase the frequency of inspections of providers to at least quarterly and that States reduce the caseload for licensing inspectors to a ratio of 1:50 (1 inspector to 50 cases).

Child Care and Development Block Grant Act of 2014

On November 19, 2014, the Child Care and Development Block Grant Act of 2014⁵ reauthorized the CCDF program to improve childcare health, safety, and quality requirements. The law includes a requirement that States' lead agencies perform an initial onsite monitoring visit and at least one annual unannounced onsite visit of providers that have received CCDF subsidies. It also requires training and professional development of the childcare workforce to meet the needs of the children and improve the quality and stability of the workforce. Specifically, the law requires lead agencies to establish ongoing provider training. It also requires that a childcare provider submit criminal background checks every 5 years for all childcare staff. Finally, it strengthens requirements related to building and physical premises safety and requires an annual inspection of unlicensed providers.

HOW WE CONDUCTED THIS REVIEW

Of the 482 homes that received CCDF funding in South Carolina as of December 1, 2013, we selected 20 for our review. We selected these homes by considering certain risk factors that included previous health and safety deficiencies identified under other State programs such as the South Carolina ABC Quality program.⁶ Our fieldwork consisted of unannounced site visits conducted in Charleston, Greenville, and Richland Counties from January through June 2014.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains details of our audit scope and methodology, Appendix B contains details of the Federal regulations and State health and safety guidelines or requirements (depending on

⁴ CCAA works with more than 600 State and local childcare resource and referral agencies nationwide. CCAA leads projects that increase the quality and availability of childcare, offer comprehensive training to childcare professionals, undertake research, and advocate childcare policies that positively affect the lives of children and families.

⁵ 78 Fed. Reg. 29441 (May 20, 2013).

⁶ ABC Quality is South Carolina's voluntary quality rating and improvement system for childcare providers.

whether a home is licensed), and Appendix C contains photographic examples of noncompliance with physical conditions guidelines or requirements.

FINDINGS

The State agency's monitoring did not always ensure that homes that received CCDF funds complied with State guidelines or requirements related to the health and safety of children. Of the 20 homes we selected for review:

- 16 did not comply with 1 or more of the guidelines for physical conditions;
- 9 did not comply with guidelines for child records;
- 4 did not comply with training requirements; and
- 4 were not available during operating hours to complete our unannounced inspection, which prevented us from assessing the physical conditions and children's records within these homes related to the health and safety of children in their care.

The instances of noncompliance occurred because the State agency did not have mandatory regulations to protect the health and safety of children that apply to all homes that receive CCDF funds, as required by 45 CFR § 98.41, but instead had guidelines only for physical conditions in homes and prevention and control of infectious disease. With respect to employee training requirements, the State agency identifies on its Web site those homes that are not in compliance; however, it is not required to impose additional penalties for training deficiencies. As a result, the health and safety of children in those CCDF-funded homes that are not licensed⁷ may be at risk.

Appendix D contains a table listing the instances of noncompliance at each home that we reviewed.

HOMES DID NOT ALWAYS COMPLY WITH PHYSICAL CONDITIONS GUIDELINES OR REQUIREMENTS

Prospective homes must obtain a license or be registered from the State licensing agency to operate a home by completing, signing, and submitting applications. Prospective operators of homes must read the "Suggested Standard – Guidelines for Operators of Family Day Care Homes Subject to Registration or Mandated Requirements for Family Child Care Home Operators Who Elect to be Licensed" (ch. 13-1 of the *Child Care Licensing and Regulatory Services Operating Manual*) (Manual) and furnish a copy to the parent(s) or guardian(s) of each child to be enrolled in the facility (SC Code of Regulations § 114-528(B)(4)(e)).

⁷ As noted previously, licensed homes are subject to a minimum of two unannounced inspections per year and one announced visit every 2 years.

Although only one home was licensed and thus *required* to comply with the State's guidelines, we reviewed all homes using these guidelines. State guidelines related to the physical conditions of a registered home include the following:

- Toilet articles such as combs, brushes, toothbrushes, towels and washcloths when used by the children in attendance will be individually provided and plainly marked (Manual, ch. 13-I III(A)(1)).
- Prescription drugs and other medications required by the children will be properly labeled with the child's name and dosage schedule and kept in a location inaccessible to the children (Manual, ch. 13-I III(A)(4)(b)).
- First aid supplies will be available for the treatment of minor cuts and abrasions and stored out of the reach of the children (Manual, ch. 13-I III(A)(6)).
- The operator will supervise the care of no more than six children, including the operator's own children under 12 (Manual, ch. 13-I III(B)(1)).
- The operator will provide at least 75 square feet of outdoor space per child. If the outdoor space is not available at the facility, then the operator may use parks or other play areas that are easily accessible (Manual, ch. 13-I III(C)(4)(b)).
- Outdoor play areas will be protected by fencing or some type of barrier if the location is readily accessible to streets or highways or otherwise dangerous (Manual, ch. 13-I IV(A)(2)(a)).
- Storage of harmful items such as flammable liquids, cleaning supplies, detergents, matches, lighters, medications, and other such harmful items will be kept inaccessible to children (Manual, ch. 13-I IV(A)(2)(c)).
- Stairs and ramps, if hazardous, will be provided with handrails (Manual, ch. 13-I IV(A)(2)(b)(2)).
- Equipment used with or by the children will be kept reasonably free of hazards. Specifically, indoor equipment, furnishings, and toys will be of safe construction and be free from sharp edges and loose or rusty points. Outdoor play equipment will be free of jagged edges and rust; made of durable, nonpoisonous material; and sturdy (Manual, ch. 13-I IV(A)(3)).
- Emergency telephone numbers such as ambulance, police department, fire department, physician(s) designated by the parent(s), and home and business numbers of the parent(s) will be available by a specified telephone which is readily accessible in the childcare home (Manual, ch. 13-I IV(A)(4)).

- The facility will be located in an area reasonably free from health hazards such as open drainage, ditches, wells, holes, and other natural or man-made obstacles (Manual, ch. 13-I IV(B)(1)(a)).
- Outdoor areas will be kept neat, clean, and free of litter (Manual, ch. 13-I IV(B)(1)(b)).
- Floors will have a smooth, washable surface and will be kept clean, in good repair, and free from hazards. If carpeting is used, it will be cleaned regularly and repaired if torn. Walls and ceilings will be clean and in good condition (Manual, ch. 13-I IV(B)(1)(d & e)).
- All rooms will be adequately lighted and ventilated (Manual, ch. 13-I IV(B)(1)(f)).
- Facilities caring for infants will provide a surface with clean covering for each changing process. Feces will be disposed of through the sewerage system and soiled diapers placed in a plastic lined, covered, leak proof container, which will be emptied and cleaned daily (Manual, ch. 13-I IV(B)(3)(d)).
- Refuse will be stored in containers or designated areas in an approved manner. Garbage and other putrid material will be stored in durable, rust-resistant, nonabsorbent, water-tight, air-tight, rodent-proof, easily cleaned containers away from the reach of children (Manual, ch. 13-I, IV(B)(4)(b)).
- A separate bed, cot, crib or mat will be assigned each child for use during daytime rest and nap periods (Manual, ch. 13-I IV(B)(5)(a)(1)).
- Containers of food will be stored above the floor, on clean surfaces, in such a manner as to be protected from splash and other contamination (Manual, ch. 13-I IV(B)(6)(a)(1)).
- After each use, all tableware will be thoroughly cleaned to sight and touch and all kitchenware and food-contact surfaces used in the preparation, serving, and storage of food will be thoroughly cleaned to sight and touch (Manual, ch. 13-I IV(B)(6)(b)(1)).

Appendix B contains all State guidelines on which we relied during our review.

Sixteen of the twenty homes that we selected for review⁸ had one or more instances of noncompliance with the guidelines to protect children from potentially hazardous conditions. Specifically, we found 163 instances of noncompliance with the State guidelines related to physical conditions. Examples of noncompliance included:

- Washcloths and other toilet articles meant for children's use were not plainly marked (Appendix C, photograph 1).

⁸ We were not able to conduct unannounced visits of four homes during business hours.

- Prescriptions and a first aid kit were in a location accessible to children (Appendix C, photograph 2).
- Seven children under age 12 were in one home, which exceeded the maximum capacity of six children.
- There was not at least 75 square feet per child of outdoor space available.
- An outdoor play area was not protected by fencing, and paint cans and chemicals were within reach of children (Appendix C, photograph 3).
- Stairs and a porch without handrails presented a fall hazard (Appendix C, photograph 4).
- Toys were broken and dirty (Appendix C, photographs 5 and 6).
- Emergency telephone numbers were not posted by a specified telephone that was readily accessible in the home.
- Children were exposed to outdoor hazards such as lawn mowers, exposed wiring, charcoal grills, stumps, rusty broken fences, cars in the play area, ladders, posthole diggers, and gas cans (Appendix C, photograph 7).
- Floors and ceilings were not clean (Appendix C, photographs 8 and 9).
- Rooms were not adequately lit.
- Dirty diapers were found in a bag on the floor, and changing tables were not present (Appendix C, photograph 10).
- Garbage was not stored away from the reach of children (Appendix C, photograph 11).
- There were not enough cribs, cots, beds, or mats available for all children receiving care.
- Food was stored on the floor (Appendix C, photographs 12 and 13).
- Kitchenware and food-contact surfaces were not cleaned to sight and touch (Appendix C, photograph 14).

HOMES DID NOT ALWAYS COMPLY WITH TRAINING REQUIREMENTS

In South Carolina, to be employed by or to provide caregiver services at a childcare facility that is licensed or registered, a person must complete a minimum of 2 hours per year of training approved by the State agency and must provide documentation of that training to the State agency (SC Code of Laws § 63-13-825(A)).

Four homes were not in compliance with State requirements for training. State regulations describing mandatory requirements for staff records are in Appendix B.

HOMES DID NOT ALWAYS COMPLY WITH CHILDREN'S HEALTH RECORDS GUIDELINES

State guidelines suggest that child records include:

- written verification that the operator has been shown the immunization card of each child indicating that the child has the required immunizations, or they are in process, or the child meets exemptions (Manual, ch. 13-I I(B)(2)(c)) and
- the parent's statement of the child's physical and mental condition at the time of his or her admission to the family childcare home (Manual, ch. 13-I I(B)(2)(a)).

Twenty-six children's records did not have South Carolina Certificates of Immunization records, and 15 children's records did not have physical and mental condition statements. State regulations describing mandatory requirements for child health records are in Appendix B.

CAUSES OF NONCOMPLIANCE WITH HEALTH AND SAFETY GUIDELINES AND REQUIREMENTS

The instances of noncompliance occurred because the State agency did not have mandatory regulations to protect the health and safety of children that apply to all providers who receive CCDF funds, as required by 45 CFR § 98.41, but instead had only guidelines for physical conditions and prevention and control of infectious diseases in homes. With respect to employee training requirements, the State agency indicates on its Web site those homes that are not in compliance but is not required to impose additional penalties. As a result, the health and safety of children in those CCDF-funded homes that are not licensed⁹ may be at risk.

RECOMMENDATIONS

We recommend that the State agency:

- conduct an annual inspection of registered family childcare homes in accordance with the CCDBG Act of 2014;
- ensure that the program complies with Federal health and safety requirements for CCDF providers, including establishing mandatory building, premises, and immunization requirements;

⁹ As noted previously, licensed homes are subject to two unannounced inspections per year.

- ensure that CCDF homes complete and submit to the State agency documentation of the minimum 2 hours per year of training for all personnel and impose penalties for failure to comply; and
- ensure that required documentation is included in the children's records.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency concurred with our recommendations and provided information on actions that it has taken or plans to take to address our recommendations.

The State agency's comments are included in their entirety as Appendix E.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Of the 482 homes that received CCDF funding as of December 1, 2013, we selected 20 homes for our review. We selected these homes by considering certain risk factors that included previous health and safety deficiencies identified under other State programs such as the South Carolina ABC Quality program.

We conducted a review of the State agency's records as of January 23, 2013. To gain an understanding of the State agency's operations regarding homes, we limited our review to the State agency's internal controls as they related to our objective.

We reviewed the homes' records and facilities through unannounced site visits from January through June 2014, in Charleston, Richland, and Greenville Counties.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws, State statutes, and State guidelines and requirements for homes, and the most recent South Carolina CCDF State plan approved by ACF;
- interviewed the CCDF program manager to determine how South Carolina monitored its homes;
- obtained a letter of explanation about our audit from the State agency to present to the homes we visited;
- developed a health and safety checklist as a guide for conducting site visits;
- reviewed previous State health and safety inspection findings identified under other State programs to help us select which homes to review;
- conducted unannounced site visits at 20 homes to determine whether the homes met State guidelines or requirements for health and safety;
- inspected the staff records to determine whether all criminal history and child abuse registry checks were conducted and that training requirements were met;
- reviewed child records to determine whether all required documentation was included; and
- discussed the results of our review with State agency officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: FEDERAL LAWS AND REGULATIONS AND STATE GUIDELINES AND REQUIREMENTS

FEDERAL REGULATIONS

Social Security Act § 418(B)(2), *Use for certain populations*

A State shall ensure that not less than 70 percent of total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

45 CFR § 98.1(a)(5)

One of the goals of CCDF is to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.

45 CFR § 98.10, *Lead Agency responsibilities*

States must designate a Lead Agency to administer the CCDF program.

45 CFR §§ 98.11(a)(1)(b)(4) and (6)

The Lead Agency must retain overall responsibility for the administration of the program. In doing so, the lead agency must ensure that the program complies with the approved Plan and all Federal requirements and must monitor programs and services.

45 CFR §§ 98.15(b)(5) and (6)

The lead agency must certify that: ...

(5) [t]here are in effect within the State (or other area served by the Lead Agency), under State or local (or tribal) law, requirements designed to protect the health and safety of children that are applicable to child care providers that provide services for which assistance is made available under the CCDF....

(6) [i]n accordance with § 98.41, procedures are in effect to ensure that child care providers of services for which assistance is provided under the CCDF comply with all applicable State or local (or tribal) health and safety requirements. ...

45 CFR § 98.41, *Health and safety requirements*

(a) Although the Act specifically states it does not require the establishment of any new or additional requirements if existing requirements comply with the

requirements of the statute, each Lead Agency shall certify that there are in effect, within the State (or other area served by the Lead Agency), under State, local or tribal law, requirements designed to protect the health and safety of children that are applicable to child care providers of services for which assistance is provided under this part. Such requirements shall include:

- (1) The prevention and control of infectious diseases (including immunizations)....
- (2) Building and physical premises safety; and
- (3) Minimum health and safety training appropriate to the provider setting.

42 U.S.C. §§ 9858c(c)(2)

(F) Establishment of health and safety requirements

Certify that there are in effect within the State, under State or local law, requirements designed to protect the health and safety of children that are applicable to child care providers that provide services for which assistance is made available under this subchapter...

(G) Compliance with State and local health and safety requirements

Certify that procedures are in effect to ensure that child care providers within the State that provide services for which assistance is provided under this subchapter comply with all applicable State or local health and safety requirements as described in sub paragraph (F).

Child Care and Development Block Grant Act of 2014 (Public Law 113-186)

(G) TRAINING AND PROFESSIONAL DEVELOPMENT REQUIREMENTS –

(i) **IN GENERAL.** – The plan shall describe the training and professional development requirements that are in effect within the State designed to enable child care providers to promote the social emotional, physical, and cognitive development of children and to improve the knowledge and skills of the child care workforce...

(ii) **REQUIREMENTS.** – The plan shall provide an assurance that such training and professional development-

(I) shall be conducted on an ongoing basis, provide for a progression of professional development (which may include encouraging the pursuit of postsecondary education), reflect current research and best practices relating to the skills necessary for the child care workforce to meet the developmental needs of participating children, and improve the quality of, and stability within, the child care workforce;...

(K)(i)(II)(aa) not less than 1 precensure inspection, for compliance with health, safety, and fire standards, of each such child care provider and facility in the State; and

(bb) not less than annually, an inspection (which shall be unannounced) of each such child care provider and facility in the State for compliance with all child care

licensing standards, which shall include an inspection for compliance with health, safety, and fire standards (inspectors may inspect for compliance with all 3 standards at the same time);...

SOUTH CAROLINA CODE OF LAWS

The following requirements are applicable to this review:

SECTION 63-13-20. *Definitions.*

For the purpose of this chapter: ...

(4) “Childcare facilities” means a facility which provides care, supervision, or guidance for a minor child who is not related by blood, marriage, or adoption to the owner or operator of the facility whether or not the facility is operated for profit and whether or not the facility makes a charge for services offered by it. This definition includes, but is not limited to, day nurseries, nursery schools, childcare centers, group childcare homes, and family childcare homes.

(13) “Family childcare home” means a facility within a residence occupied by the operator in which childcare is regularly provided for no more than six children, unattended by a parent or legal guardian, including those children living in the home and children received for childcare who are related to the resident caregiver. However, an occupied residence in which childcare is provided only for a child or children related to the resident caregiver or only for the child or children of one unrelated family or only for a combination of these children is not a family childcare home.

SECTION 63-13-180. *Regulations and suggested standards.*

(A) The department shall with the advice and consent of the Advisory Committee develop and promulgate regulations depending upon the nature of services to be provided for the operation and maintenance of childcare centers and group childcare homes. The department with the advice of the Advisory Committee shall develop suggested standards which shall serve as guidelines for the operators of family childcare homes and the parents of children who use the service.

SECTION 63-13-810. *Registration required for family childcare homes.*

(A) As used in this chapter, “family childcare home” means a facility within a residence occupied by the operator in which childcare regularly is provided for no more than six children, unattended by a parent or legal guardian, including those children living in the home and the children received for childcare who are related to the resident caregiver. However, an occupied residence in which childcare is provided only for a child or children related to the resident caregiver or only for the child or children of one unrelated family, or only for a combination of these children, is not a family childcare home.

(C) A family childcare home which elects to participate in a federal program which requires licensing as a prerequisite to participation may elect to be licensed under the procedures in Section 63-13-820. A family childcare home electing licensing shall demonstrate compliance with the suggested standards developed by the department under Section 63-13-180 and shall comply with provisions of Sections 63-13-420 and 63-13-430 relating to criminal history conviction records checks upon original licensing and upon renewal. Operators and caregivers of licensed family childcare homes are held to the standards in Sections 63-13-420 and 63-13-430 regarding criminal convictions.

SECTION 63-13-820. *Registration requirements.*

(A) Registration must be completed on forms supplied by the department and in the manner it prescribes.

(B) Before becoming a registered operator the applicant shall:

- (1) sign a statement that he has read the suggested standards developed by the department under Section 63-13-180;
- (2) furnish the department with a signed statement by each consumer parent verifying that the operator has provided each consumer parent with a copy of the suggested standards for family childcare homes and the procedures for filing complaints;
- (3) upon request, provide the department with any facts, conditions, or circumstances relevant to the operation of the family childcare home, including references and other information regarding the character of the family childcare home operator.

SECTION 63-13-825. *Training for daycare operators and workers.*

(A) An operator of a family childcare home and any person employed by or who contracts with an operator of a family childcare home, annually shall complete and provide documentation to the Department of Social Services of a minimum of two hours of training approved by the department.

(B) The department shall indicate on its website those family childcare homes that are and those that are not in compliance with this section and may include, but are not limited to, the amount of training the operator and other persons employed by or under contract with a family childcare home have reported to the department.

SECTION 63-13-830. *Statement of registration.*

(A) A statement of registration must be issued when the family childcare operator satisfactorily completes the procedures prescribed by this chapter. The current statement must be displayed in a prominent place in the facility at all times and the registration number must be stated in all advertisements of the family childcare home....

(E) The department may withdraw the statement of registration if one or more of the following apply:

- (1) the health and safety of the children require withdrawal;
- (2) the facility has enrolled children beyond the limits defined in this chapter; ...

SECTION 63-13-840. *Visits to family childcare homes.*

(A) The department shall visit the facility when concerns are expressed by the community regarding the health and safety of the children, child abuse, or enrollment beyond the limits set forth in this chapter.

(B) If the concern is in regard to the health and safety of the children, the department may call on other appropriate agencies (i.e., State Department of Health and Environmental Control, Office of the State Fire Marshal) as necessary to conduct an inspection.

(C) If the concern indicates that the child has been abused, the department shall carry out its responsibility as authorized under Chapter 7.

(D) If the visits and inspections verify conditions detrimental to the health and safety of the children or over enrollment, the department shall carry out its responsibility as authorized by Section 63-13-160 and Section 63-13-830(C).

SOUTH CAROLINA CODE OF REGULATION

114-528. *Definitions and Procedures.*

B. Procedures for Pre-Application Consultation and Original Registration.

(4) The applicant shall complete the following:

- (a) Complete and sign the required number of application forms;
- (b) Obtain and submit to Department staff current (less than one year old) South Carolina State Law Enforcement Division (SLED) criminal history background records checks for himself/herself, substitute caregiver(s), emergency person(s) and volunteer(s).
- (c) Provide written references with names, addresses and telephone numbers of at least three persons unrelated to the applicant who shall be contacted by the Department as references;
- (d) Read the Suggested Standards For Family Day Care Homes;
- (e) Furnish or review with parent(s)/guardian(s) of each child to be enrolled in the facility, a copy of the Suggested Standards;
- (f) Secure a signed statement from each parent/guardian verifying that they have reviewed the Suggested Standards; (g) Send required copies of completed and signed applications, required information regarding references and all signed statements from parent(s)/guardian(s) to Department staff;...

D. Provisions of the Registration....

(3) The number of children present in the facility at any given time shall not exceed the number specified on the registration.

E. Procedures for Securing An Original License/Approval.

(1) For the purpose of applying for a license/approval, the family day care home applicant shall comply with the South Carolina Department of Social Services Suggested Standards for Family Day Care Homes....

CHILD CARE LICENSING AND REGULATORY SERVICES OPERATING MANUAL

Suggested Standards–Guidelines for Operators of Family Child Care Homes Subject to Registration or Mandated Requirements for Family Child Care Home Operators Who Elect To Be Licensed

CHAPTER 13

I. THE ADMINISTRATION OF THE HOME

B. Records

1. General Records on the Child. The operator shall initiate at admission and maintain a general record on each child to include:

- a. Child's name, address, birth date, and date of his acceptance and discharge.
- b. Full name of both parents, or person responsible for child, family's home address, work addresses and telephone numbers.
- c. Instructions for reaching parents or relatives.
- d. Name, address, and telephone number of another person who might be reached in case of emergency.
- e. Name, address, and telephone number of family physician and/or health resource.
- f. Accurate records of daily attendance of each child.

2. Child Health Records. The operator shall maintain a health record on each child containing the following items:

- a. Parent's statement of the child's physical and mental condition at the time of his admission to the family child care home. (Refer to Appendix for information regarding how to secure health form.)
- c. Written verification that the operator has been shown the immunization card of each child by the parent(s) indicating required immunizations are completed....

III. THE CARE OF THE CHILDREN

A. Health Practices

1. Toilet Articles. Toilet articles such as combs, brushes, toothbrushes, towels and washcloths, when used by children in attendance, shall be individually provided and plainly marked.

4. Administration of Medicine

b. Prescription drugs and other medications required by the children shall be properly labeled with the child's name and dosage schedule and kept in a location inaccessible to the children.

6. First Aid Supplies. First aid supplies shall be available for the treatment of minor cuts and abrasions and stored out of the reach of the children.

B. Supervision

1. Staff to Child Ratios. The operator shall supervise the care for up to a total of six children, including the operator's own children under 12. (See Suggested Standard III.C.7.(a))

C. Program...

4. Space.

b. The operator shall provide at least 75 square feet per child of outdoor space.

IV. SANITATION AND SAFETY PROVISIONS

A. Safety Precautions

2. Accident Prevention. The operator of a family child care home shall provide premises which minimize the risk of accidental injury.

EVIDENCE OF COMPLIANCE:

a. Outdoor play Areas. Outdoor play areas shall be protected by fencing or some type of barrier if location is readily accessible to street or highways or otherwise dangerous.

b. Building and Grounds

(2) Stairs and ramps, if hazardous, shall be provided with handrails.

c. Storage of Harmful Items. Flammable liquids, cleaning supplies, detergents, matches, lighters, medications and other such harmful items shall be kept inaccessible to children.

3. Safety of Equipment. Equipment used with or by the children shall be kept reasonably free of hazards.

a. Indoor equipment, furnishings and toys shall be of safe construction, free from sharp edges and loose or rusty points. No toy accessible to infants and toddlers shall be small enough to swallow.

b. Outdoor play equipment shall be free of jagged edges and rust, made of durable, nonpoisonous material, and sturdy. Stationary outdoor equipment shall be firmly anchored.

4. Emergency Phone Numbers. Emergency telephone numbers shall be available by a specified telephone which is readily accessible in the child care home.

a. The following telephone numbers shall be posted by the telephone:

(1) Ambulance service and emergency service plan.

(2) Police department.

(3) Fire department.

b. Other emergency numbers shall be available near the telephone. These numbers shall include:

(1) The number of the physician designated by the parent(s).

(2) Home and business numbers of the parent(s). (Enrollment information or health forms kept in a readily accessible location constitute compliance.)

B. Environmental Sanitation

1. Facility and Grounds. The facility and grounds shall be situated, equipped and maintained as needed in order to safeguard the health of the users.

a. Site. The facility shall be located in an area reasonably free from health hazards, such as open drainage, ditches, wells, holes, and other natural or man-made obstacles.

b. Outdoor Areas. Outdoor areas shall be kept neat, clean, and free of litter.

d. Floors. Floors shall have smooth, washable surface and shall be kept clean, in good repair, and free from hazards. If carpeting is used, it shall be cleaned regularly and repaired if torn.

e. Walls and Ceilings. Walls and ceiling shall be in sound condition and clean.

f. Lighting and Ventilation. All rooms shall be adequately lighted and ventilated. Lighting on the task shall never be less than 30-foot candles. Lights and ventilation systems shall comply with the local and/or state building codes, whichever is more stringent.

3. Toilets and Lavatories. Sufficient toileting and lavatory facilities shall be provided.

d. Diaper Changing and Disposal. Facilities caring for infants shall provide a surface with clean covering for each changing process. Feces shall be disposed of through the sewerage system and soiled diapers placed in a plastic lined, covered, leakproof container, which shall be emptied and cleaned daily.

4. Waste Disposal. The facility shall follow approved sanitary methods of disposal of wastes.

b. Solid Waste Disposal. Refuse shall be stored in containers or designated areas in an approved manner. Garbage and other putrid material shall be stored in durable, rust-resistant, nonabsorbent, water-tight, air-tight, rodent-proof, easily cleaned containers away from the reach of children. All solid waste shall be disposed of at sufficient frequencies and manner so as not to create a rodent, insect, or other vermin problem.

5. Sleeping and Resting Equipment. Individual, comfortable and sanitary equipment for sleeping and resting shall be provided.

a. Beds, Cots, Cribs, Mats.

(1) For daytime rest and nap periods. A separate bed, cot, crib or mat shall be assigned each individual for use during rest or nap periods. If mats are used, they shall be made of waterproof washable material and shall be stored and handled in such a manner that the sleeping surface does not contact the floor. If linen is provided, it shall be clean and available for each individual user.

6. Food and Drink. All food and drink shall be prepared, served and stored so that sanitary cooking methods are observed, nutrients retained and spoilage prevented.

a. Storage, Preparation and Serving of Food

(1) Maintenance of Food.

Containers of food shall be stored above the floor, on clean surfaces, in such a manner as to be protected from splash and other contamination.

b. Cleaning and Storage of Utensils and Equipment.

(1) Cleaning Procedures.

After each usage, all tableware shall be thoroughly cleaned to sight and touch.

South Carolina State Plan

South Carolina State Plan, section 3.1.3, “Enforcement of Licensing Requirements” ...

a) Does your State/Territory include announced and/or unannounced visits in its policies as a way to effectively enforce the licensing requirements?

Yes. If “Yes” please refer to the chart below and check all that apply.

CCDF Categories of Care	Frequency of Routine Announced Visits	Frequency of Routine Unannounced Visits
Family Child Care Home	If the family home is licensed, visits are conducted every 2 years. However, most family homes are registered. By law, licensing specialists can only visit these providers when a complaint is filed.	Family homes may be licensed, a family childcare home is visited twice a year and when a complaint is filed. By law, most family homes are registered.

APPENDIX C: PHOTOGRAPHIC EXAMPLES OF NONCOMPLIANCE WITH PHYSICAL CONDITIONS GUIDELINES OR REQUIREMENTS



Photograph 1: Washcloths and other toilet articles were not plainly marked.



Photograph 2: A first aid kit and medication in an unlocked cabinet were accessible to children.



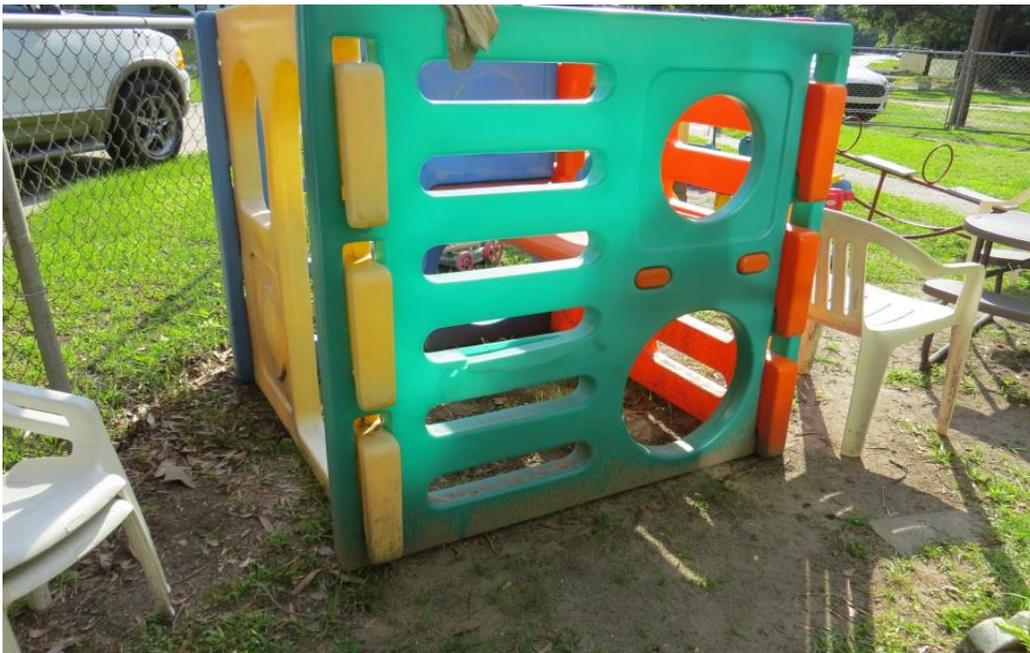
Photograph 3: Mop, paints, and chemicals all within reach of children pose a poisoning hazard.



Photograph 4: Steps and a porch without handrails present a risk to small children.



Photograph 5: Toys were broken and dirty.



Photograph 6: Toys were broken and dirty.



Photograph 7: Outdoor hazards included ladders and unsecured storage areas.



Photograph 8: One home had a broken ceiling fan and stained ceiling.



Photograph 9: There was trash on a bathroom floor.



Photograph 10: Soiled diapers were stored on the floor near children's food, which could lead to contamination.



Photograph 11: Garbage was not stored away from the reach of children.



Photograph 12: Food was stored on the floor.



Photograph 13: Food was stored on the floor.



Photograph 14: Kitchenware and food-contact surfaces were not cleaned to sight and touch.

APPENDIX D: INSTANCES OF NONCOMPLIANCE AT EACH VISITED HOME

Home #	Date of Last State Inspection	Potentially Hazardous Conditions	Training Documentation	Children’s Records	Total Instances of Noncompliance
1	11/21/2013	2	0	3	5
2	3/25/2013	7	1	2	10
3	12/11/2013	4	1	12	17
4	1/9/2014	19	0	1	20
5	12/11/2013	N/A	0	N/A	0
6	None	6	0	0	6
7	10/24/2013	3	0	0	3
8	1/17//2014	8	0	0	8
9	12/17/2013	N/A	1	N/A	1
10	1/23/2014	8	0	2	10
11	6/24/2013	5	0	1	6
12	1/13/2014	12	0	4	16
13	7/28/2012	N/A	0	N/A	0
14	1/16/2014	16	0	4	20
15	1/7/2014	N/A	1	N/A	1
16	1/2/2014	19	0	12	31
17	1/8/2014	18	0	0	18
18	5/28/2013	13	0	0	13
19	1/6/2014	3	0	0	3
20	3/1/2014	20	0	0	20
Total		163	4	41	208

For the homes marked “N/A,” we were unable to gain access during our visit to review compliance with State guidelines or requirements. However, we were able to review documentation related to employee training on file with the State agency for these homes.

Notice: We provided to the State agency under a separate cover the specific names of the providers we audited.

APPENDIX E: STATE AGENCY COMMENTS

South Carolina's Response to OIG Draft Report A-04-14-08031: Family Child Care Health and Safety

Introduction:

CCDF is administered in South Carolina by the Division of Early Care and Education in the South Carolina Department of Social Services (SC DSS). The Division includes five programs that interface with child care providers. These include: Child Care Licensing (CCL), ABC Quality Rating and Improvement System (ABC Quality), SC Voucher (CCDF subsidy program), the Child and Adult Care Food Program (CACFP), and the Center for Child Care Career Development (CCCCD). CCL and ABC Quality monitor CCDF providers. In order to serve families with CCDF-funded vouchers (subsidies), providers must be enrolled in ABC Quality. All ABC Quality providers must be legally operating and comply with the Quality Rating and Improvement System (QRIS) standards for the appropriate quality level, as well as the state child care regulation requirements for the type of care provided. The Division seeks to avoid duplication in monitoring between CCL and ABC Quality except for key determinants of health and safety pertinent to CCDF quality mandates.

In addition to CCL, ABC Quality monitors all providers eligible to serve children receiving CCDF assistance. ABC Quality conducts an initial announced visit for enrollment in ABC Quality and then conducts annual unannounced on-site reviews for centers, family/group homes, and legally exempt providers, according to the provider's quality level in the Quality Rating and Improvement System. Providers failing to meet the established passing scores are given the opportunity to make corrections and receive another review on a revisit. Continued failure to meet the established passing scores results in termination from the ABC Quality system and discontinuing CCDF payments. Failure to meet mandatory standards can result in a Corrective Action Plan, and continued failure results in termination from the ABC Quality system and discontinuing CCDF payments. ABC Quality also conducts visits based on complaints relevant to the standards.

CCL and ABC Quality work together to assist the provider in resolving any deficiencies that may be cited during a review. For example, if during an ABC Quality review a provider is cited for improper staff: child ratio, the monitor would refer the violation to the regional CCL office and they would conduct a visit to ensure that the provider was using correct staff: child ratios. ABC Quality would then accept that the deficiency was resolved based on the investigation and correction approved by CCL. Since all providers in ABC Quality must maintain a history of compliance with CCL regulations, we have a designated staff person who catalogs all CCL deficiencies issued to providers and initiates any adverse action as necessary based on policy. Additionally, Licensing, ABC Quality and CACFP meet quarterly to receive provider status updates.

OIG's 1st Recommendation: Conduct annual inspection of registered family child care homes in accordance with the CCDBG Act of 2014.

Response: We concur with the recommendation.

Prior to the federal audit, ABC launched new health and safety standards on 10/1/2013 for all family child care providers enrolled with ABC (attached). The new ABC health and safety standards include building and physical premises safety requirements and control of infection diseases (including immunizations). From 10/1/2013 through 9/30/2014, ABC visited all existing child care providers

enrolled with ABC (and eligible to receive CCDF funding) to inform them of the new standards. At that time, ABC providers were required to correct building and premises safety deficiencies. Beginning 10/1/2014, all providers enrolled with ABC (eligible to receive CCDF funds) must comply with the attached Level C standards which include health and safety provisions. They are monitored annually for compliance to these standards.

In addition, a new state law (SC Code of Laws Section 63-13-840, attached) was enacted in South Carolina, on June 23, 2104, that mandates annual routine inspections for family child care providers by the Child Care Licensing Division. These annual inspections are to ensure that all regulated family child care providers comply with the following:

- (1) Health and safety of the children;
- (2) No evidence of child abuse; and
- (3) Enrollment within the limits set forth in this chapter (Chapter 13).

Accordingly, our Child Care Licensing offices have been inspecting family child care providers as mandated by the new state law, a copy of which is attached.

OIG's 2nd recommendation: Ensure that the program complies with Federal health and safety requirements for CCDF providers, including establishing mandatory building and premises and immunization requirements.

Response: We concur with the recommendation.

Prior to the federal audit, ABC launched new health and safety standards on 10/1/2013 for all family child care providers enrolled with ABC. The new ABC health and safety standards include building and physical premises safety requirements and control of infection diseases which includes immunizations. From 10/1/2013 through 9/30/2014, ABC visited all existing child care providers enrolled with ABC (and eligible to receive CCDF funding) to inform them of the new standards. At that time, ABC providers were required to correct building and premises safety deficiencies. Beginning 10/1/2014, all providers enrolled with ABC (eligible to receive CCDF funds) must comply with the attached Level C standards which include health and safety provisions.

OIG's 3rd recommendation: Ensure that CCDF homes complete and submit documentation to the State agency of the minimum 2 hours per year of training for all personnel and impose penalties for failure to comply.

Response: We concur with the recommendation.

State law (Kendra's law section 63-13-825 (A)) currently requires family child care providers to submit documentation that all personnel have completed a minimum of 2 hours of training per year to SCDSS and that the results be posted on the agency's website. SCDSS complies with the requirement and posts the results on its website. In addition, ABC will augment its current standards to include monitoring family child care providers' completion of the annual 2-hour training requirement enacted by Kendra's law. If providers haven't completed the required training after 3 corrective action plan opportunities, they would be held accountable to the ABC standards for addressing deficiencies, the ultimate penalty for lack of compliance being termination from the ABC program and loss of eligibility to receive CCDF funding.

In addition, to assure all caregivers with ABC-enrolled child care providers (eligible to receive CCDF funding) are adequately trained in health and safety practices, ABC is implementing a required 26-hour

health and safety training course that will be launched on August 4, 2015 via the sccildcare.org website (copy of webpage with list of training modules and related material is attached). All caregivers employed with ABC-enrolled providers will have 1 year to complete the 26-hour course that will be offered through multiple modules on-line. Individual child caregivers must pass a test on-line after completing each module to receive a certificate through the SCDSS Center for Child Care Career Development's (CCCCD) training registry. The CCCCDD will automatically update the completed modules on the caregiver's training transcript. When a caregiver completes the entire 26-hour health and safety course, a final certificate will be provided to the caregiver and their transcript will be updated to reflect completion of the entire course. Child Care Licensing and ABC Quality staff who inspect and monitor the child care providers will have on-line access to all caregivers' training transcripts maintained by CCCCDD. The 26-hour course will count toward the required Child Care Licensing training hours over a 2-year period. For all newly-enrolling child care providers with ABC and newly-hired child caregivers, the 26-hour course will be required pre-service. It is expected that this 26-hour course will be a consistent message and measure of the health and safety requirements included in the CCDBG act of 2014 and should result in improved health and safety practices with fewer deficiencies. Based on communication with other Child Care State Administrators, we believe South Carolina may be among the first, if not the first, state to offer such a comprehensive health and safety training course. As with other ABC standards, the penalty for lack of a provider's compliance with this requirement after 3 corrective action plan opportunities would be termination from the ABC program and loss of eligibility to receive CCDF funding.

Currently, ABC family child care providers at Levels B and B+ are required to complete 10 hours of training annually.

OIG's 4th recommendation: Ensure that required documentation is included in children's records (immunizations).

Response: We concur with the recommendation.

ABC mandatory compliance standards for all ABC-enrolled providers (eligible to receive CCDF funding) include maintaining records of children's immunizations. Accordingly, ABC Quality staff monitor providers to ensure those records are maintained. Continued lack of compliance would result in termination from the ABC program and loss of eligibility to receive CCDF funding.