

# Human Services—Monitoring of Daycare and Day Home Providers Follow up

## SUMMARY

### What we examined

In 2010, we audited systems that the Department of Human Services used to monitor and enforce compliance with its regulations for childcare programs. We made three recommendations.<sup>1</sup> This year, we conducted follow-up work to assess the department's and the Child and Family Services Authorities' progress in implementing the following recommendations:

- Child and Family Services Authorities improve systems to ensure consistent compliance with monitoring and enforcement policies and processes
- Department, working with the Child and Family Services Authorities, review documentation and training requirements for monitoring licensed and approved programs to ensure requirements are being met
- Child and Family Services Authorities improve systems for monitoring and enforcing childcare program compliance with statutory requirements and standards by ensuring that all verbal warnings are adequately documented and resolved

### What we found

We found that all the recommendations were implemented:

- The authorities consistently used a risk-based matrix to determine their enforcement actions.
- The department revised its policies on documentation and trained its licensing officers on the importance of corroborating evidence.
- The authorities updated their policies on verbal warnings and follow up of low-risk non-compliances.

### Why this is important to Albertans

More than 73,000 children are in childcare programs in the province. Parents rely on provincial standards to ensure that their children are safe. Albertans want to know whether daycare operators are following these standards and that the department is monitoring childcare providers.

## AUDIT OBJECTIVE AND SCOPE

Our audit objective was to determine if the department and the authorities have implemented the three recommendations from our October 2010 Report.

In performing the audit, we:

- examined policies, roles and responsibilities of the department and authorities
- tested systems used to monitor compliance with statutory requirements
- interviewed department management and staff
- examined monitoring inspection reports

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<sup>1</sup> *Report of the Auditor General of Alberta—October 2010, pages 37–39.*

We carried out our audit between August and December 2012. We examined the department's and authorities' policies and processes in the period from September 1, 2011 to September 30, 2012. Our audit was conducted in accordance with the *Auditor General Act* and the standards for assurance engagements set by the Canadian Institute of Chartered Accountants.

## BACKGROUND

In 2008, the department announced its Creating Child Care Choices plan. One goal of the plan was to create 14,000 new childcare spaces over three years. Our audit was to determine if there were systems in place to ensure that there was compliance with the provincial standards for child care and if these systems were operating effectively.

### Licensed programs<sup>2</sup>

Programs that care for seven or more children must be licensed. These include daycare, out-of-school care, preschool, group family child care and innovative child care programs and are governed by the *Child Care Licensing Act and Regulation*.

The department has policies and procedures to guide how authorities monitor licensed program compliance with the act and regulation. The authorities employ licensing officers to monitor programs and enforce compliance with operating requirements.

The regulations require the authorities to inspect these programs at least twice a year. In addition, licensing officers respond to complaints and reports of critical incidents such as child injury. If a program is not complying with regulatory requirements a licensing officer may:<sup>3</sup>

- issue a warning to correct non-compliance
- issue an order to remedy non-compliance
- impose conditions on a license
- vary a provision of a license
- suspend a license and issue a probationary license
- cancel a license

Licensing officers have the authority to choose the enforcement action depending on the severity of the non-compliance. Repeated non-compliance may warrant more serious enforcement action.

### Approved family day home programs

Family day home providers provide child care to six or fewer children and are required to comply with Family Day Home Standards. Authorities contract with family day home agencies to administer family day home services, which include:

- providing recruitment, approval, training and monitoring
- assisting parents with choosing a home
- enrolling and placing children in homes
- collecting parents' fees and payment of providers
- monitoring and enforcement actions

Agencies monitor approved family day home programs and enforce compliance with standards. The authorities' standards require agencies to visit day homes six times annually. The department's

<sup>2</sup> *Child Care Licensing Act*, Section 1.

<sup>3</sup> *Child Care Licensing Act*, Sections 12-16.

standards require authorities to monitor agencies at least annually, to ensure that agencies comply with the department's standards. The department requires authorities to annually review agency records and visit 10 per cent of the homes overseen by an agency.

## FINDINGS AND RECOMMENDATIONS

### Improve consistency of monitoring—implemented

#### Background

In 2010, we recommended that the authorities improve their systems to ensure staff consistently comply with the authorities, monitoring and enforcement policies and processes.<sup>4</sup>

The department's risk assessment framework tool assists licensing officers to assess whether an identified non-compliance with the standards poses a risk to the safety and well-being of children in a program.

The framework measures non-compliance against two criteria:

- the consequences of the non-compliance
- the likelihood of that consequence taking place

The risk score is the product of the consequences and likelihood. The department gives licensing officers the authority to exercise professional judgement in applying the two criteria. The licensing officers use the risk score to determine enforcement actions. Higher scores require more severe enforcement actions. The department also requires licensing officers to use the framework to assess the cumulative impact of several non-compliances within one program.

We made the recommendation to the authorities because we found that the licensing officers were not using the department's risk assessment framework consistently. We also found that authorities did not have a consistent, documented process to monitor licensing officers' completion of inspections reports across the province.

#### Our audit findings

The recommendation was implemented. The authorities consistently used the risk assessment framework tool to determine what enforcement action was required. We understand the authorities will continue to enhance the consistency of documentation of supervisory review of the licensing officers' inspection reports.

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<sup>4</sup> *Report of the Auditor General of Alberta—October 2010*, page 38.

## Documentation and training—implemented

### Background

In 2010, we recommended that the department, working with the authorities, review its documentation and training requirements for monitoring licensed and approved programs to ensure compliance with standards.<sup>5</sup>

We made this recommendation because we found inconsistencies in the level of corroborating evidence in inspection reports. The inspection report checklist is used by licensing officers to document whether a regulation is being followed or not. Licensing officers were using a “not observed” choice if it was available on the report and not providing any evidence as to whether a program was compliant or non-compliant with the regulations. We also found that the department was not doing a detailed trend analysis to identify patterns of non-compliance.

### Our audit findings

The department has implemented the recommendation. It improved its communication of daycare licensing standards to the authorities by providing training to all the licensing officers in the province. The department updated its policies and procedures by including documentation requirements for inspection reports. There is no longer an option for licensing officers to mark an item as “not observed” on the inspection report. If licensing officers do not directly observe an item they must document corroborating evidence to support compliance with the regulation.

The department increased its use of trend analysis on the data recorded in the child care information system. For example, the department trended top non-compliances or changes in top non-compliances both provincially and by region. We found that the department was analyzing this data and was engaging licensing and childcare program staff in discussions.

## Improve follow-up processes—implemented

### Background

In 2010, we recommended that authorities improve their systems for monitoring and enforcing daycare program operators’ compliance with the regulations, by ensuring that licensing officers had adequately documented and followed up on all verbal warnings to licensed and approved programs.<sup>6</sup>

For low-risk non-compliances, licensing officers can choose whether to issue a warning or an order to remedy, depending on the severity. For both warnings and orders, the officer is required to set a time to follow up on results. The licensing officers can impose more severe enforcement actions, by placing conditions on the license, issuing a probationary license or closing a program. The licensing officers impose these actions by consulting with the authorities’ supervisors and department staff, as cases require.

We made the recommendation to the authorities because we found that licensing officers could not demonstrate that they had followed up on warnings they had issued. The licensing officers’ documentation of their actions was lacking.

<sup>5</sup> *Report of the Auditor General of Alberta—October 2010*, page 37.

<sup>6</sup> *Report of the Auditor General of Alberta—October 2010*, page 39.

### **Our audit findings**

The authorities implemented the recommendation. Licensing officers' documentation of their actions has improved. Further, the two new policies—escalation for repeat non-compliances and the timeliness of following up on warnings—were implemented.

The first new policy is that the authorities cannot issue warnings for a specific section of the act or regulation more than once during a licence term. If the non-compliance occurs more than once during the licence term, then the enforcement action must be escalated to a more severe enforcement action. The department did not issue any repeated warnings during the term.

The second new policy is that the remedy date for warnings must not exceed three months or the expiry of the licence term, whichever is first. The department followed up on all warnings within this timeframe.

