



ARRA REPORT BY THE  
INSPECTOR GENERAL AND STATE BOARD OF ACCOUNTS

2009-11-0234

November 10, 2009

ARRA REVIEW OF FSSA CCDF

*Indiana Inspector General Staff Attorney Todd Shumaker and State Examiner Bruce A. Hartman of the Indiana State Board of Accounts report as follows:*

This report addresses an evaluation of the Quality Improvement portion of the Child Care and Development Fund (CCDF)<sup>1</sup> cluster for quality expansion and infant/toddler focused improvements within the Division of Family Resources (DFR)<sup>2</sup> of the Family & Social Services Administration (FSSA)<sup>3</sup>.

The CCDF is a federal program administered through FSSA with the purpose of increasing the availability, affordability and quality of childcare.

Childcare funding is provided to low-income families receiving temporary public

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<sup>1</sup> IC 12-17.2-2-1 *et seq* establishes the authority for the FSSA DFR to regulate child care in the State. It also authorizes the division to adopt rules to implement the federal CCDF voucher program administered by the DFR.

<sup>2</sup> The DFR is established within FSSA in IC 12-13-1-1. This DFR is charged to “administer or supervise the public welfare activities of the state.” IC 12-13-5-1.

<sup>3</sup> The Office of the Secretary of Family and Social Services is established in IC 12-8-1-1.

assistance so that the parent can work, attend training or continue education.

On February 17, 2009, the United States Government enacted the American Recovery and Reinvestment Act<sup>4</sup> (ARRA). The ARRA intends to provide a stimulus to the United States economy by providing \$787 billion in program funding and tax credits.<sup>5</sup>

The purpose of this report is to document a preliminary ARRA compliance review of the FSSA DFR CCDF program by the State Board of Accounts (SBOA) and the Office of the Inspector General (OIG).

## I

To date, the FSSA DFR has been provided \$42,764,321 in ARRA funding for CCDF operations. This money is to be obligated by September 30, 2010, and liquidated by September 30, 2011. Of the total amount awarded, \$7,069,935 will provide investments to improve the quality of child care to support the health and well-being of children.

## II

The OIG's enabling statute provides that the OIG "is responsible for addressing fraud, waste, abuse and wrongdoing in agencies." IC 4-2-7-2(b).

The SBOA has similar duties, including the authority to develop and publish "accounting and uniform compliance guidelines manuals" ("Manuals") to

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<sup>4</sup> 40 USC 1606.

<sup>5</sup> See: <http://www.recovery.gov>.

provide guidance to public entities, IC 5-11-1-24(a), to perform audits, IC 5-11-1-9, and to make written findings regarding violations of its Manuals or “any law.” IC 5-11-5-1(a).

Within these authorities, a preliminary review of this program was made. This review included, but was not limited to, reviewing the program objectives, meeting with the program staff, reviewing agency-completed spending plans, reviewing monthly update reports submitted to the Indiana Office of Management and Budget (OMB) and assessing the program’s risks.

From this preliminary review, we make the following findings and recommendations.

### III

#### A

#### Findings

The program controls outlined in the CCDF Quality Improvement spending plan approved by the OMB or other related documentation are adequate to meet the respective federal ARRA and State OMB guidelines and requirements. At a later date, additional procedures may be performed as deemed necessary to verify compliance with these requirements.

#### B

#### Recommendation

Accordingly, we offer no recommendations at this time, but advise FSSA DFR employees to continue to apprise themselves of ARRA requirements and

developments.

Dated this 10<sup>th</sup> day of November, 2009.

A handwritten signature in black ink, appearing to read "David O. Thomas". The signature is written in a cursive style with a horizontal line underneath it.

David O. Thomas, Inspector General