Reply to
Attn. of: CACFP-531

Subject: Audit Effort in the Child and Adult Care Food Program (CACFP)

To: STATE AGENCY DIRECTORS - Colorado DPHE, Iowa, Kansas, (Child Nutrition Programs) Missouri DH, Montana DPHSS, Nebraska ED, North Dakota, South Dakota, Utah, and Wyoming ED

As you are aware, the Office of Inspector General (OIG) has continued to conduct extensive audit work in the family day care home program subsequent to the issuance of its nationwide audit in March 1995. OIG has indicated that it will be continuing its work in this area in the upcoming Fiscal Year (FY). OIG also indicated that it plans to perform audit work in the area of center program operations, specifically, the administrative costs claimed by such sponsors. OIG is also encouraging participation of both regional and State personnel in upcoming reviews.

OIG plans to conduct 12 additional family day care home sponsor reviews (2 per OIG region) in FY 1998. OIG has requested our/your assistance in helping target its resources to those sponsors suspected of fraud and/or program mismanagement. In instances where you have no problematic sponsors to identify, your selection should be based on other factors that may indicate the potential for problems. OIG’s suggested factors include rapid program growth, family owned and operated child care facility(ies), and providers claiming up to maximum capacity.

In order that OIG may proceed with its planning phase, please provide the following information to our office by September 15, 1997:

1. Recommendations of at least two family day care home sponsoring organizations for your State. In addition to the names and addresses of the sponsoring organizations, please also provide the following information: reason for selection, number of homes, meal earnings, and sponsor administrative earnings. We would recommend you select a recent month to draw all of the above information.

2. The identity and location of sponsoring organizations for child care centers.
3. Please provide your policy, if any, on the maximum percent that a CACFP sponsor can withhold for the sponsor's administrative costs from center operational payments.

Your cooperation is greatly appreciated. Due to the short response time, please feel free to fax this information to our office. If you have any questions, please contact us at (303) 844-0359.

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Regional Director
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