



**Audit of the Kid Zone
Enrichment Program**

January 2013

City of Tempe Internal Audit Office

City Auditor:	Barbara Blue
Auditors:	Keith Smith
	Norma Hostetler

Table of Contents

I. INTRODUCTION	1
II. AUDIT SCOPE	3
III. CONCLUSION	5
IV. DETAILED OBSERVATIONS	6
Section 1 - Financial Administration	6
1. Kid Zone should formalize the exchange of in-kind services with School Districts.	9
2. Grant funds should be more closely monitored.....	11
Section 2 - Staff Administration	12
3. Fire and Emergency Plan documents are not fully compliant with DHS requirements.	13
4. Changes to intent of employment that result in employees not meeting the ASRS 20/20 rule should result in ASRS disenrollment when the condition is recognized.	14
5. Policies and procedures over the promotion of temporary employees should be inclusive, formally documented and practiced.	16
6. Staff to children ratios should be reviewed and closely monitored for cost-saving opportunities.	18
Section 3 - Participant Experience and Administration	21
7. Incidents of non-compliance with DHS and DES participant enrollment requirements and opportunities to enhance child behavior contracts were noted.	22
8. Incidents of non-compliance with DHS facility cleaning and sanitation requirements were found.	26
9. Incidents of non-compliance with DHS safety requirements were found.	29
10. Incidents of non-compliance with DHS nutrition requirements were noted.	32
Section 4 – Performance Standards and Measures	33
11. Evidence of execution of action plans to achieve goals should be developed for all goals.....	34
12. Relevant, effective action plans must be current and flexible.....	35
13. Anonymity assurance should be provided for all survey participants.....	38
14. Survey questions should ask for answers on only one dimension.....	39

I. INTRODUCTION

Background

The Kid Zone Enrichment Program has been in existence since 1985. There are a total of 148 employees (mostly temporary part-time) that operate the program. Kid Zone is a component of the Community Services Department, Social Services Division. The Kid Zone Program Manager oversees the entire program. In addition to financial and administrative staff in the main office, each school site is supervised by a Site Coordinator or a Program Manager.

Purpose

Kid Zone serves to address an increasing number of children needing a safe, enriching place to be in before and after school time. Their mission statement follows:

We create memorable childhood experiences every day by providing opportunities to participate in enrichment learning and age-appropriate activities in a safe nurturing environment.

Sites and Programs

Kid Zone operates before and after school programs in addition to a pre-school program within the Tempe and Kyrene School Districts. There are currently 18 operating sites: children in Kindergarten to grade 5 at 14 sites, Kindergarten to grade 8 at 3 sites and 1 pre-school program for ages 2 to pre-kindergarten. Thirteen (13) sites (including the preschool site) are within the Tempe School District and 5 are within the Kyrene School District.

Kid Zone proposes '10 Reasons Why Your Child Should Enroll at Kid Zone'. They are as follows:

- 1) We are affordable
- 2) Your child will be safe
- 3) Low child to staff ratios
- 4) Find us on your school campus
- 5) Free enrichment and specialty programs
- 6) We have age appropriate activities
- 7) We offer a variety of activities
- 8) We are aligned with the school district's curriculum
- 9) We are certified
- 10) We operate year round

Governing Authorities

Kid Zone is governed by the Arizona Department of Health Services (DHS) Bureau of Child Care Licensing, as well as the Arizona Department of Economic Security (DES) Child Care Administration.

DHS monitors the health, safety, and wellbeing of children in child care centers and child care group homes throughout Arizona. They regulate, establish, and enforce appropriate rules to caregivers. DHS is allowed immediate access to all areas of the facility affecting the health, safety or welfare of enrolled children during hours of operation. DHS may deny, revoke, or suspend a license to operate a facility if it fails to substantially comply with any provisions stipulated. A DHS Licensure Specialist can visit the sites up to four times a year to test for compliance with the regulations. Any issues they note during the

site visits are documented and provided to Kid Zone management for corrective action.

In order for families to receive financial assistance through DES, Kid Zone must be licensed through DHS and must agree to comply with all applicable DHS

administrative rules. A copy of the DHS license is retained by DES.

DES also may, but is not obligated to, conduct compliance reviews to monitor the terms of the agreement between Kid Zone and DES.



II. AUDIT SCOPE

Audit Initiation

The audit of Kid Zone was performed as part of the Internal Audit Office's annual audit plan. The inherent nature of operations and other risk factors ranked Kid Zone relatively high in our overall citywide risk assessment, which prompted scheduling this audit during FY2012/13.

Objectives

This audit primarily focused on operations during FY2011/12 and a portion of the current FY2012/13 (to December 2012). Our objectives were to determine whether:

1. Fees for all services rendered are authorized, appropriately charged, collected, and accounted for,
2. Fee reductions and/or subsidies are appropriately authorized and comply with established policies, procedures and relevant governing authorities,
3. Rates are adequate and comparable to other service providers in the region,
4. Care for children complies with or exceeds standards and requirements established by relevant governing authorities,
5. Staff are appropriately screened, trained and meet qualifications to facilitate a safe and secure environment allowing children to participate in enrichment learning and age appropriate activities, and
6. Key performance measures are in place to facilitate a realistic assessment of whether the program functions effectively and efficiently and meets its purpose.

Methodology

During the course of this audit, we performed the following:

- Assessed the accuracy of fees charged, billing completeness, and ensured receipts were deposited intact;
- Reviewed cash handling procedures for adequate controls;
- Traced documented participant attendance to fees paid for services;
- Reviewed a sample of delinquent accounts for proper follow up;
- For a sample of fee reductions, waivers and scholarships, we verified participant eligibility, amounts granted, and agency reimbursement to the City where applicable;
- Reviewed a sample of refunds and account adjustments for proper approval and supporting documentation;
- Analyzed documentation supporting the school district teacher/staff discounts;
- Compared fee rates to other Valley cities;
- Determined whether program costs are covered by revenues generated;
- Reviewed supporting documentation for a sample of significant program expenditures;
- Reviewed samples of participant and personnel files to ensure they contained required DHS documentation;
- Reviewed personnel attendance records ensuring compliance with the ASRS Statutes;
- Performed unannounced site inspections at 13 of the 18 Kid Zone locations, testing for compliance with DHS and Kid Zone policies and procedures; and

- Reviewed existing performance measures.

Roles and Responsibilities

The Internal Audit Office strives to assist managers with the effective discharge of their responsibilities to achieve departmental goals and contribute to the City's mission. Internal Audit promotes effective controls and furnishes management with an independent appraisal and recommendations related to the activities reviewed. Our role is vital to maintaining the public's trust that the City's resources are used effectively and efficiently.

Kid Zone management is ultimately responsible for, and must assume ownership of, their internal control system. Internal controls are used by managers to provide reasonable assurance that their objectives

will be achieved. Internal controls are also the primary mechanism for deterring and detecting fraud.

To summarize, management is responsible for establishing and maintaining adequate internal controls. Internal Audit must use due care in examining and evaluating the effectiveness of internal controls and to understand the related exposures and risks.

Due care does not require a detailed audit of all transactions. Therefore, internal auditors cannot give absolute assurance that all noncompliance and fraud will be detected.

Follow-Up

Internal Audit follows up on the status of all recommendations approximately 6 months after audit completion to assess the status of implementation efforts.

III. CONCLUSION

We found that Kid Zone is essentially in compliance with the majority of requirements established by DHS and DES with a few exceptions related to staff and participant administration. Fee rates are comparable to other regional service providers and effective internal controls are in place to appropriately charge, collect, and account for service revenues. Since our prior audits of Social Services financial processes performed by the Internal Audit Office, great strides in fiscal management have been made.

We did identify areas of opportunity for Kid Zone to experience potential cost savings and to enhance the efficiency and effectiveness of their service delivery.

We truly appreciate the time, effort and assistance granted to the Internal Audit Office during the course of this audit by management and staff of the Kid Zone Program.



IV. DETAILED OBSERVATIONS

Section 1 - Financial Administration

Audit History

In 2001, Internal Audit performed an investigative audit (requested by Social Service's management), into a suspected theft of funds from the Kid Zone Program. That audit resulted in evidence of theft by an employee, and ultimately criminal charges were assessed by the Maricopa County Attorney's Office. The employee (who was not a Kid Zone staff member) pleaded guilty to felony charges and was sentenced to jail and probation and was ordered to pay restitution.

As a result of these events, Social Services management supported a cash-handling audit of the entire division, which was performed by the Internal Audit Office in 2002. One of our observations during this audit was that controls were not adequate to ensure that all payments were recorded in the cashiering system prior to the participant's enrollment being entered into the class registration system. The new Social Services computer application referred to below has vastly improved this weakness in the internal control structure of payments and participant registration.

Computer System

Social Services implemented a new computer application (referred to as the Kid Zone application) in August 2009. The system has effectively enhanced financial

controls over Kid Zone payments and registrations. The system has integrated the cash register function with the registration function, thus preventing a participant from appearing on the Kid Zone site roster without paying for the service. The system also eliminates hand-written receipts, which contributed to previous internal control issues.

Plans are in place to implement a system upgrade to facilitate on-line payments and registrations, which will enhance the convenience for parents and guardians of participants.

Current Audit Work Performed

Internal Audit performed procedures to ensure that fees for a sample of participants were appropriately charged, collected and accounted for. Program fees vary depending on the type of program (morning care, afternoon care, camp) and the frequency of usage. Procedures were performed to ensure that correct fees were charged, collected, and deposited for services rendered. We found no exceptions.

Discounted fees are charged, and in some cases fees are waived, for those participants meeting certain eligibility requirements. Programs operated through the State such as DES, and First Things First (FTF) and others through the school districts (free or reduced lunch fees, discounts for school

district employees, and Title I school discounts) are the most prevalent discount programs in operation. For fee waivers or discounts provided to participants in our audit sample, we ensured the reductions were granted only to eligible participants and that the City was properly reimbursed by the relevant State agency when appropriate. No exceptions were noted.

Finally, we reviewed Kid Zone rates charged for service to determine if they were:

1. Comparable to other similar service providers in the region, and
2. Adequate to cover costs.

We found that fees charged are in-line with other Cities/entities providing similar services. See Figure 1 below:

Figure 1

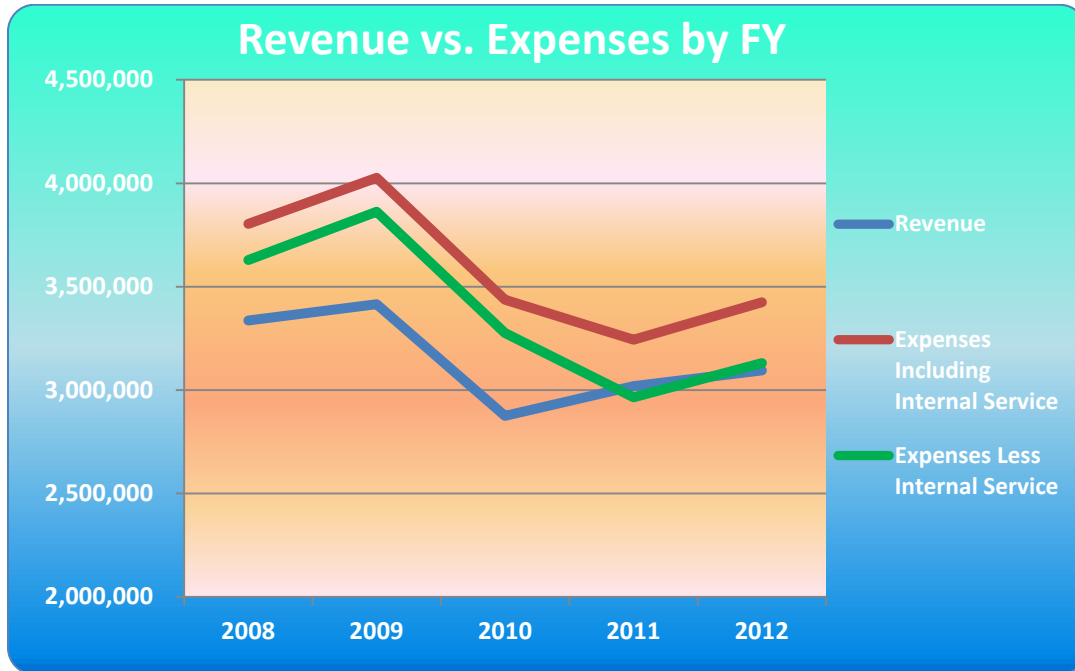
School Year 2012-13 Fees	Kid Zone	Kyrene Kids Club	Chandler School District	Gilbert School District	Tempe YMCA	Scottsdale School District
After School	\$223/mo	\$235/mo	\$232/mo	\$267/mo	\$240/mo	\$195/mo
Before School	\$88/mo	\$105/mo	\$120/mo	\$184/mo	\$125/mo	\$90/mo

Revenues and Expenditures

Under management directive, Kid Zone has recently been striving for a 91% cost recovery. Cost recovery for Kid Zone has been defined as sufficient revenues to cover all expenses with the exception of internal service charges. The following chart and table (Figure 2) identify Kid Zone total

revenues and expenditures, including Internal Service (IS) charges, for the five year period from FY2007/08 to FY2011/12. They illustrate a trend over the past few years of closing the gap between Program costs and revenues:

Figure 2



	Fiscal Year				
	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue	3,335,752	3,414,946	2,874,791	3,018,737	3,094,546
Expenses (not including IS charges)	3,628,318	3,861,676	3,276,339	2,965,474	3,130,003
Excess of expenditures over Revenue before IS charges	(292,566)	(446,730)	(401,548)	53,263	(35,457)
IS charges	175,416	164,654	160,479	277,867	293,971
Excess of total expenditures over revenue	(467,982)	(611,384)	(562,027)	(224,604)	(329,428)
Percentage of expenditures covered by revenues before IS charges	92%	89%	88%	102%	99%
Percentage of expenditures covered by revenues including IS charges	88%	85%	84%	93%	91%

Overall, Kid Zone’s financial administration appears sound and we found that adequate internal controls are in place to ensure that:

- ✦ Fees for all services rendered are authorized, appropriately charged, collected, and accounted for,
- ✦ Fee reductions and/or subsidies are appropriately authorized and comply with established policy and procedures and relevant governing authorities, and

- ✦ Rates are comparable to other service providers in the region.

Significant improvement in internal controls since our prior audit was recognized by Internal Audit: however, we have identified potential opportunities for Kid Zone to further recover program costs and improve upon operational efficiencies.

1. Kid Zone should formalize the exchange of in-kind services with School Districts.

Kid Zone offers Kyrene and Tempe School District teachers and staff a discount on program fees to enroll their children in the Program. According to Kid Zone staff, the discount totaled \$120,000 in FY2011/12 and is projected to be \$110,000 in FY2012/13. Fifty-three Tempe and 18 Kyrene school district staff receive discounts. These figures are based on a query of the Kid Zone system. The accuracy of the query was verified by IT staff.

The provision of these discounts was originally approved by Council in May 2005. Initially, Kid Zone services were provided to District teachers and staff at no cost. In FY2009/10, the discount was reduced to 75%.

When approved by Council, the understanding was that the discount provided by the City would be “more than offset” by reduced facility use fees and in-kind contributions provided by the Districts. At the time of our audit fieldwork, there was knowledge of in-kind services but no formal cost-benefit analysis had been performed to

determine whether the City is receiving benefits equal to the amount of Kid Zone fee discounts afforded to school District teachers and staff. As of May 2013, Kid Zone staff completed a formal analysis of in-kind services which is presented below.

Part of the justification for providing the discount to District teachers and staff is that the discount would help them retain quality teachers. Although teacher retention is a noble cause and the Council has established education as a strategic priority, an argument can be made that teacher retention is not the specific responsibility of the City. Regardless of who is responsible for increasing retention rates, Kid Zone management is not aware of any analysis of retention rates performed by the districts to determine whether the discount provide by the City has assisted in increasing teacher retention.

Additional justification for providing discounts to District teachers and staff was that the City is getting discounted facility use rates. It is not clear that the City is

receiving any better rate than other like organizations that provide similar services. According to fee schedules publicized on the Districts' web sites, fees charged to the City are not exclusive discounts. For Kyrene facilities, the City is charged the same rate as any youth serving, non-profit childcare provider that meets the educational function of Kyrene School District and whose purpose is to provide childcare. In addition, the District's rate publication even lists example organizations that would get these same rates (Ahwatukee and Tempe YMCA), in addition to Kid Zone.

For the Tempe School District, the rates the City receives are for organizations that provide "Extended day resource programs for district-age children." Nowhere in the

rate publication does it state these rates are exclusive to Kid Zone. Kid Zone does pay the full rates mentioned in the Districts' rate schedules based on the type of organization they operate. In addition to facility rental rates, Kid Zone pays chiller start up and custodial fees for the summer when school is not otherwise in session at reduced rates.

In addition to reduced facility rental rates, Council was advised by staff that the City would be receiving in-kind services from the Districts. Some of the in-kind services mentioned by staff include Wi-Fi service at Kid Zone sites and reduced cost or free custodial service.

Kid Zone prepared a schedule of in-kind services received as follows:

IN KIND SERVICES	One-Time	Annual On-going
1. Wifi connections *	\$3,600	
2. Installation fees for Wifi (non-recurring, not included in total) *	\$100,000	\$36,000
3. Ongoing cost *		
Custodial fees not charged for School Year-Tempe School District		\$138,240
Summer Custodial fee reduction-Tempe School District		\$9,343
Total		\$183,583

*Estimated costs from the City of Tempe IT department

Based on the above, Kid Zone is receiving sufficient in-kind services that justify the

discounted Kid Zone services offered to school district staff.

Recommendation

- 1.1** For the sake of both clarity and transparency, in-kind services exchanged between Kid Zone and the School Districts for discounted rates to their employees should be formally memorialized in a written agreement.

Management Response

Kid Zone will take the recommendation into consideration and explore the feasibility of entering into a written agreement with the School Districts.

2. Grant funds should be more closely monitored.

Kid Zone has been receiving an Arizona Nutrition Network (AZNN) Grant for the past 10-12 years. The main purpose of the grant is to improve the dietary and physical activity habits of low-income people in Arizona. Kid Zone utilizes this grant to cover costs of nutrition-related education, activities, materials, building and space utilized for nutrition training, and for personnel salaries and fringe benefits of Kid Zone Nutrition and Special Recreation staff. The grant is funded through cost reimbursement for actual expenditures incurred and has averaged \$240,000 annually. The program is in 12 Title I schools: 10 in TD3 and 2 in Kyrene.

The nutrition cost center for the grant remains open until the grant is audited by DHS, which occurs every 2 years. They focus on financial transactions and review expenditures to determine whether they are allowable. They also audit the nutrition

program and lesson plans to ensure they meet the established requirements.

FY2009/10 and FY2010/11 grants were recently audited in October 2012 by DHS; there were no findings. However, there was a notation that funds in the amount of \$42,994 were never received by Kid Zone. This was also discovered by the City's Accounting Division in August 2012.

The \$42,994 related to three payments for June, July, and August 2010. It took approximately 2 years to realize that payments from 2010 had not been received from the State. Although Kid Zone has established procedures and controls in place to ensure grant payments are received, these payments were overlooked due to human error. Non adherence to the established system of checks and balances increases the risk of improper payments and untimely grant expenditure reimbursements.

Recommendation

- 2.1** Kid Zone management should consistently reconcile revenue and expenditures on a monthly basis to ensure grant funds due to the City are received in a timely manner.

Management Response

Kid Zone will reconcile revenue and expenditures on a monthly basis and is currently following this policy.

Section 2 - Staff Administration

Kid Zone is required to ensure that staff members/volunteers meet DHS staff qualification requirements for employment and volunteer services. DHS requires employee/volunteer background checks, fingerprinting, specific immunizations, training, and CPR/First Aid certification.

Background checks are completed at the time of hire and when fingerprint clearance cards expire. Fingerprint clearance cards are issued by the Arizona Department of Public Safety (DPS) and are valid for 6 years. Background checks are completed by both the City of Tempe and DHS. DES also requires a Child Protective Services (CPS) background check for all new employees/volunteers.

Kid Zone is also required to ensure that employees/volunteers have a written statement attesting to current immunity against measles, rubella, diphtheria, mumps and pertussis on file.

Each employee/volunteer is also required to complete 18 or more actual hours of training

every 12 months and be CPR/First Aid Certified (with the exception of two Kid Zone job classifications of Assistant Activity Leader and Instructor). Daily attendance records must also be kept for employees/volunteers to ensure times of each arrival and departure are documented. DES requires record retention for 5 years from date the DES contract expires.

Social Services has their own internal Human Resources section. They coordinate with the City's central Human Resources Department in employee hiring and administrative processing.

A sample of 35 Kid Zone employees was selected to test for compliance with staff qualifications, immunizations, background checks, fingerprint clearance cards, CPR and First Aid certifications. The employee's attendance records were also reviewed to determine compliance with the ASRS 20/20 rule. Additionally, site inspections were conducted at 13 of the 18 Kid Zone locations to assess proper staff to children ratios.

Overall, it appears that Kid Zone is substantially in compliance with DHS and DES staff administration requirements.

However, we have identified a few areas of non-compliance and opportunities for more efficient processes.

3. Fire and Emergency Plan documents are not fully compliant with DHS requirements.

Internal Audit performed site inspections at 13 of 18 Kid Zone locations to review for compliance with various DHS and DES requirements including DHS R9-5-514 Accident and Emergency Procedures:

Accident and Emergency Procedures C. 1. b, & c states, "A licensee shall prepare and date a written fire and emergency plan that contains: b. The names of the staff members who have first aid training required by R9-

5-403(E); c. The names of staff members who have the CPR training required by R9-5-403(E).

Based on our site inspections, we found that the Fuller Elementary site did not have the names of staff members who have first aid and CPR training listed in their Fire and Emergency Plan. It appears the plan had not been updated to reflect staffing changes.

Recommendation

3.1 The Fire and Emergency Plan document should be updated each time staff is added or changes are made.

Management Response

Kid Zone has a policy in place and trains staff that the Fire and Emergency Plan document should be updated each time staff is added or changes are made. The document at Fuller Kid Zone has been updated.

4. Changes to intent of employment that result in employees not meeting the ASRS 20/20 rule should result in ASRS disenrollment when the condition is recognized.

The majority of Kid Zone staff are temporary part-time employees, subject to compliance with the Arizona State Retirement System (ASRS) 20/20 rule. Per Arizona Revised Statutes Title 38, Chapter 5, Articles 1, 2 and 2.1, membership in the ASRS is mandatory as a condition of employment if you work for an ASRS employer for 20 or more hours per week for 20 or more weeks in a fiscal year and you contribute to Social Security. Upon hiring, if an employer intends to schedule the employee for 20 or more hours per week for 20 or more weeks in a fiscal year they should be enrolled in ASRS. If the intent is to not schedule the employee for 20 or more hours per week for 20 or more weeks in a

fiscal year, the employee should not be enrolled.

A sample of 35 Kid Zone employees (17% of all employees) was selected and reviewed for compliance with ASRS Statutes. Two employees in our sample of 35 (6%) were enrolled in ASRS but did not meet the 20/20 rule. Upon further review, we found that a total of 66 Kid Zone temporary employees were enrolled in ASRS (FY2012/13) but had not yet met the 20/20 rule.

ASRS contribution reports provided by the City’s Payroll Division revealed the following potential and actual excess contributions:

Fiscal Year	Employees Not meeting Rule	Excess Contributions
2011/2012	10 of 57 Employees (Actual)	\$2,353
2012/2013 (to 11/18/12)	19 of 66 Employees (Potential)	\$5,279
Total Excess Contributions (Actual & Potential)		\$7,632

Human Resources (HR) has established an effective system to monitor employee hours starting at week 15 of the fiscal year to determine employees’ eligibility for ASRS. A report is also distributed in June of each fiscal year; those employees not meeting the requirement are then removed from ASRS by HR.

basis. If the intention is to work an employee over the 20/20 threshold, they must be set up in ASRS. In many instances, circumstances change for these individuals and they end up not meeting the eligibility requirements.

Whether or not to enroll an employee in ASRS upon initial hiring is based on intent. This has to be determined on an individual

Kid Zone and HR have been working under the assumption that when circumstances change and an employee initially enrolled as an ASRS member does not meet the 20/20 rule, (thus rendering them ineligible for

ASRS membership) the employee cannot be removed from the system until the end of the fiscal year, and the City (and employee) remain obligated to pay the required contributions until fiscal year end. This assumption was based on miscommunication between the City and ASRS representatives. Internal Audit, in discussion with ASRS officials, discovered that as circumstances change with an individual employee,

specifically where the intent and schedule changes such that they will not meet the 20/20 rule, they can be removed from ASRS membership at the time the change occurs. They do not have to wait until the end of the fiscal year to remove them. Per ASRS, the reason for disenrollment must be documented in the employee's personnel file.

Recommendation

4.1 ASRS contributions for both the City and employees should stop when employment intent changes and the ASRS 20/20 Rule will not be met. A memo should be placed in the employees' personnel file that supports such a change in the work schedule for the year. Kid Zone and Human Resources should work together to identify eligible credits for both employer and employee contributions made for these employees where eligibility for ASRS membership will

not be met in the current year. Going forward, credits should be submitted to ASRS for overpayments as circumstances change throughout the year.

The City should also reimburse all the employees who have contributed, but were not eligible as ASRS members. Error corrections are also accepted by ASRS for prior fiscal years and should be pursued.

Management Response – Kid Zone

Kid Zone will continue to work closely with and follow the City of Tempe Human Resources Department directive on ASRS contributions.

Management Response – Human Resources

Human Resources is reviewing the process for enrollment of temporary employees in ASRS. Specifically, with clarification from ASRS on when a member employee should be dis-enrolled due to a change in schedule, Human Resources will work with the impacted department and with payroll to ensure the dis-enrollment occurs in a timely fashion, credits are requested from ASRS and reimbursements made to employees.

5. Policies and procedures over the promotion of temporary employees should be inclusive, formally documented and practiced.

Kid Zone site staffing structure consists of only one full-time permanent position of Site Coordinator. The remaining positions are temporary part-time positions as follows:

- Program Manager
- Assistant Program Manager
- Activity Leader
- Assistant Activity Leader
- Assistant Activity Leader II
- Special Recreation Activity Leader
- Specialty Instructor
- Pre-school Lead Teacher
- Teacher
- Nutrition Instructor I
- Nutrition Asst. Activity Leader

Each one of these positions has essential job functions and requires specific DHS staff qualifications. All of the above positions (except Site Coordinators and Assistant Activity Leaders) are also available to substitute for those that cannot work 5 days per week. Promotions are typically made from within, which supports positive employee retention and morale.

The City as a whole generally does not have procedures over hiring temporary and seasonal employees. Although Human Resources is currently developing city-wide guidelines for hiring temporary employees, the only provision in the current HR Personnel Rules and Regulations is Section 304-Internal Recruitment, which allows temporary employees to apply for internal permanent benefitted positions.

City of Tempe Human Resources Personnel Rules and Regulations, Section 304, Selection C. 3, Internal Recruitment states:

“Current temporary employees who meet all of the following criteria shall be eligible to apply for any position posted as an internal recruitment: ...

3. The employee must have completed a written application for the temporary position they currently hold and that application must be on file in their employee file in the Human Resources department or the department for which they work.”

Human Resources advised that this policy is not practiced and is currently under revision.

Due to the specialization of the positions and certification requirements, Kid Zone is promoting and placing employees in order to have no adverse effect on the program and to meet DHS requirements.

Placement of employees also depends on enrollment numbers, program needs, facility space and types of needs the children have (i.e. chronic health concerns, medical, physical or mental disabilities). Several employees work two distinct jobs for the Program (Program Manager & Assistant) and are paid two separate rates of pay based upon the work performed. Staff that cannot work five days per week are considered substitutes and make a lower rate of pay based on availability and may move from site to site.

If a lateral opening occurs, an internal email is often sent only to the site where the opening occurs to announce the opportunity. Staff at other sites are not typically notified. When openings occur for Program Managers or Assistant Program Managers they will sometimes announce the opportunity to staff at other sites. An application is normally not required. Interested employees contact the Kid Zone HR section and inform them of their interest. Employee files are then reviewed for DHS/DES qualifications and prior evaluations. If qualified, employees' supervisors are contacted to proceed with an interview. The interview is conducted by

one employee of Kid Zone's HR section; if the position is for Getz Preschool, then the Director of that facility is also involved in the interview.

Keeping recruitments open only to employees currently working at the site where an opening exists does not provide equal opportunity for other employees working different sites. Additionally, the absence of formally documented policies and procedures for promoting employees may result in inconsistencies. Also, Kid Zone policies and procedures over the promotion of temporary employees are not documented in the Employee Handbook.

Recommendation

5.1 Promotional opportunities should be posted Kid-Zone wide for a set number of days to provide equal employment opportunities for all interested parties. In addition, policies and procedures should be documented in the Employee Handbook to ensure consistent application.

Management Response

Kid Zone will send e-mails to all sites when promotional positions become available. The deadline and contact information for response will be consistent. Through our Personnel tracking systems, we know if a staff will meet minimum DHS requirements. Additionally, promotional guidelines will be added to our Employee Handbook.

6. Staff to children ratios should be reviewed and closely monitored for cost-saving opportunities.

DHS requires the following staff to children ratios per DHS-R9-5-404:

“ A licensee shall ensure that at least the following staff-to-children ratios are maintained at all times when providing child care services to enrolled children:

Age Group Children	Staff: Children
2 Years	1:8
3 Years	1:13
4 Years	1:15
5 years (not school age)	1:20
School Age	1:20

In addition to the DHS standards, the Kid Zone Handbook states:

“Low child to staff ratios – To ensure the continued quality of Kid Zone, our staff to child ratio is approximately 1 staff member to every 13 children. The Arizona Department of Health Services (DHS) sets the standard of 1 staff member for every 20 children.”

During our site inspections at 13 of 18 Kid Zone locations, the following was observed:

Kid Zone Site	Date of Observation	<u>ACTUAL</u> Staff to Children Ratio
School-Age Programs		
Arredondo	11/30/12 AM	1:08
Broadmor	11/30/12 PM	1:15
Carminati	11/30/12 PM	1:10
Curry	11/30/12 PM	1:12
Fuller	12/03/12 PM	1:13
Holdeman	12/06/12 PM	1:13
Hudson	11/30/12 PM	1:11
Mariposa	12/05/12 PM	1:11
Norte	12/04/12 PM	1:10
Rover	12/03/12 PM	1:08
Waggoner	12/05/12 PM	1:11
Ward	11/30/12 PM	1:15
Getz Preschool Program	12/04/12 PM	2 Yr. Olds – 1:5 3 Yr. Olds – 1:4 4 Yr. Olds – 1:7 K 4/5 Yr. Olds – 1:12

School-Age Program

Kid Zone established a staff-to-children ratio for their school-age at 1:13, which is midrange of the current national quality standards developed by the Council on Accreditation (COA) for after school programs as follows:

Kyrene Kids Club	1:15
Chandler Kids Express	1:17
Gilbert VIK	1:15
YMCA YKidz	1:20
Scottsdale Kids Club	1:20

ASP-PS 12.02

The ratio of personnel to children and youth in the program is based on the ages and abilities of children and youth in the program, and is:

- a. between 1:10 and 1:15 when children and youth are age six and older; and
- b. between 1:8 and 1:12 when the program includes children under age six.

The actual staff-to-children ratio observed during our site inspections averaged 1:12, which exceeds Kid Zone’s current standard of 1:13 (and far exceeds the minimum standards established by DHS.) This variance equates to approximately 5 staff. Kid Zone management advised that staff are released towards the end of the day, which serves to more closely align site ratios to standards, and contributes to cost savings.

We found that other Cities/entities providing similar services (same organizations as in Figure 1of this report) had the following stated staff-to-children ratios:

Kid Zone has approximately 1,738 children enrolled in their School-Age Program across 17 sites. The following illustrates the estimated average level of staffing that would be required within the range of staff-to-children ratios recommended by the COA:

Staff-to-Children Ratio	Staffing Requirements
1:10	174
1:11	158
1:12	145
1:13	134
1:14	124
1:15	116

There is an opportunity for savings, while still adhering to quality standards established by COA, by increasing the ratio to 1:14 (8%) or to 1:15 (14%).

Pre-School Program

Staff-to-children ratios for pre-school aged children were established by Kid Zone’s NAC accreditation and their participation in First Things First and Quality First. The following table compares actual staffing by

age group observed at the time of our inspection to Kid Zone established staff-to-children ratios for the Getz Preschool Program:

Age Group	Observed Staff-to-Children Ratio	Kid Zone Established Staff-to-Children Standards
2 Year Olds	1:05	1:06
3 Year Olds	1:04	1:09
4 Year Olds	1:07	1:10
K 4/5 Year Olds	1:12	1:10

For all Pre-School Program age groups DHS staff-to-children minimum standards were exceeded and were also found to correlate

with Kid Zone’s established standards, with the exception of 3 year olds, where the ratio was exceeded by one staff.

Recommendation

6.1 We encourage Kid Zone to continuously monitor opportunities for efficiencies where staffing levels exceed established standards (and any special needs for sites). School-age program adopted standards should also be reviewed for cost savings opportunities.

Management Response

Kid Zone continually monitors staffing for efficiency, safety, quality programming, savings opportunities and accreditation guidelines and will explore additional opportunities for savings through staff placement/ratios and increasing enrollments. Kid Zone did not exceed its wage budget for FY12 and will not exceed its wage budget for the current fiscal year.

Section 3 - Participant Experience and Administration

Kid Zone is required to ensure that the enrollment of children meets the DHS Bureau of Child Care Licensing requirements and DES requirements.

A child must be enrolled by the child's parent or an individual that is authorized in writing by the parent. Prior to service, the enrolled child's parent must complete, sign and submit a DHS provided Emergency, Information and Immunization Record Card (blue card). This blue card is to be maintained on facility premises where a child is currently enrolled in a place that provides staff ready access to the card in event of an emergency at, or evacuation of, the facility.

Participants are also required to have written immunization records from the child's health care provider confirming the enrolled child has received age-appropriate immunizations required by DHS and DES.

Participant attendance records that identify the child's name and the times of each daily

admission and release are also required to be maintained. Children should not be released to any individual other than the child's parent (or an individual designated in writing by the child's parent). A parent can also authorize a child's release by telephone to an individual not previously designated.

A sample of 95 Kid Zone participant's files was selected to test for compliance with enrollment, immunization requirements, admission and release attendance records, discipline and guidance, general nutrition standards, and general health and safety requirements.

Overall, it appears that Kid Zone is substantially in compliance with DHS and DES participant administration requirements. However, we have identified a few general areas of non-compliance and opportunities for more efficient processes.



7. Incidents of non-compliance with DHS and DES participant enrollment requirements and opportunities to enhance child behavior contracts were noted.

A. Emergency Information

DHS R9-5-304 Enrollment of Children B, 7, states:

“Except as required by A.R.S. 39-3009, before an enrolled child receives child care services, a licensee shall require that enrolled child’s parent to complete a Department-provided Emergency, Information, and Immunization Record card that is signed by the enrolled child’s parent containing: ...

7. The name of the individual to be contacted in case of injury or sudden illness of the child.

Out of a sample of 95 participant files reviewed, 4 Emergency, Information, and Immunization Record Cards (blue cards) did not contain parent signatures. (DHS also cited Kid Zone on two separate occasions between 11/16/11 and 12/14/11 for not having blue cards signed by parents.)

In addition, for 5 of the 95 participant files reviewed, the blue cards had “911” listed as the name of the individual to be contacted in case of injury or sudden illness of the child. (DHS also cited Kid Zone on 5 separate occasions between 10/20/11 and 5/15/12 for listing 911 as a contact or not having any emergency contact information.)

Absence of parent signatures or names of individuals to contact in case of injury or illness can potentially put the child’s safety at risk.

B. Immunization Records

Of our sample of 95 participant files reviewed, 2 did not have immunization records on file (*the children no longer attend Kid Zone*). There was a note on one file dated 12/06/11, stating the school nurse would be faxing the records to Kid Zone. However, the immunization record was never received. The other child was simply overlooked. We also noted one incident where there was no immunization record attached to the blue card as required by DHS.

These exceptions are violations of DHS required standards as children are not permitted to be enrolled unless they have received the required immunizations.

DHS R9-5-305- Child Immunization Requirements A. states:

“A licensee shall not permit an enrolled child to attend a facility until the facility receives:

1. An immunization record for the enrolled child with the information

required in 9 A.A.C. 6, Article 7, documenting that the enrolled child has received all current, age-appropriate immunizations required under 9

A.A.C. 6, Article 7:

a. Provided by a health care provider, or
b. Generated from the Arizona State Immunization Information System, which is the Department's child immunization reporting system established in A.R.S.36-135.

DHS R9-5-305 Child Immunization Requirements B. also states,

"A licensee shall attach an enrolled child's written immunization record or exemption affidavit, required in subsection (A), to the enrolled child's Emergency, Information, and Immunization Record card.

Not having the proper immunization records showing proof of immunity also puts the other children and staff's health at risk.

C. Attendance Records

DES and DHS have established various attendance record-keeping requirements. Details follow:

- i. *DES Record Keeping Requirements 3.7, m, states, "All recorded entries may only be corrected by the individual who originally completed the record and that person must initial the correction."*

For 3 of the 95 (4%) participant files reviewed, the sign in/out records had corrections made without the required initials.

- ii. *DES 3.7, 2, n, states, "White out or the use of correction tape on the records is prohibited."*

For 7 of the 95 (8%) participants files reviewed, the sign in/out records had evidence of the use of white out.

- iii. *DES Record Keeping Requirements 3.7, 2, c states, "All time entries on the sign in/out record shall be legible and in ink. Signature entries shall be in ink and the full legal signature of the person completing the entry (no initials)."*

One self-signer used pencil on 4 entries of the sign in/out record. Only ink is allowed.

- iv. *DHS R9-5-306A,1 states, " A licensee shall ensure that the attendance form is signed with at least a first initial of an individual's first name and the individual's last name by each enrolled child's parent or individual designated by the enrolled child's parent, each time the enrolled child is admitted or released."*

Out of the 95 participant files reviewed, 5 or (6%) were not signed out on a particular day. (DHS also cited Kid Zone on 2 separate occasions between 10/19/11 and 11/8/11 for not having parents' complete signature on attendance records.)

Kid Zone's child sign in/out policies do not prohibit the use of white out and it appears staff are not consistently reviewing attendance records to ensure the required information is being properly documented.

D. Multiple Participant Files

Kid Zone maintains multiple participant files. They create a new file for each enrolled child every school year, even for returning participants.

Documentation is pulled from one file and placed in the most recent file located at the site the child is attending. As a result, documentation may be missed or erroneously assumed to contain the required information. This is a time consuming duplication of effort and is an opportunity for human error and file documentation to be misplaced.

E. Behavior Contracts

The Kid Zone Enrichment Program Employee Handbook covers Discipline and Behavior Guidelines in great detail under the Relationships-Child Behavior Management section. Kid Zone staff are trained twice a year on these guidelines. When a child displays severe or consistent behavior problems, a Behavior Contract is used.

The Employee Handbook Severe Behavior, Behavior Contract, pg.41 states:

“The behavior contract is used for children with severe or consistent behavior problems that hurt the safe, effective operation of the site. Please note the Behavior Contract is the very last step taken before parents are asked to take their child out of the program and find other arrangements. A contract may only be used with advance approval from your supervisor.”

Out of our sample of 95 participant files, we found 2 had behavior contracts on file. Neither of these behavior contracts were signed by the parent or Kid Zone Staff. Kid Zone advised that the two parents refused to sign and pulled their children from the program.

The Employee Handbook does not address what to do when a parent refuses to sign a Behavior Contract or what the implications are for not signing. If there are no procedures in place to deal with parent’s refusal to sign a behavior contract, conflict may ensue over the proper course of action.

Recommendations

- 7.1** Kid Zone should include in their Employee Handbook what the consequences or penalties are for non-compliance with DHS standards including implications of recurring violations. A periodic check of participant files should be completed ensuring the required information and documentation is on file.

Management Response

Kid Zone has established policy – staff are instructed to review DHS documentation on a monthly basis. Supervisors also perform monthly reviews of site compliance. This information will be added to the Employee Handbook.

7.2 Management should consider reducing the number of hard-copy participant files prepared and in circulation. Transitioning to electronic files and sharing emergency and immunization records with the School Districts (with parental consent) should be explored as well as digitization of enrollment forms and sign in/out sheets. This can prevent hard-copy documentation missing from the files in the process of transferring documents and serve as a materials and labor cost-saving measure.

Management Response

Kid Zone will consider all Internal Audit's suggestions for the reduction of participants' files and will pursue implementation.

7.3 Kid Zone should prohibit the use of white out on all attendance records and should require individuals to initial corrections. These policies and procedures should be incorporated into the Kid Zone policies and effectively communicated to all staff. Staff should also review the sign in/out records daily to ensure the required information is being captured.

Management Response

Kid Zone has a policy in place for staff not to use whiteout on sign in/out records. Management staff are trained on this policy when they go through Paperwork Management Training. Kid Zone will add a policy to the Kid Zone Employee Handbook. An e-mail has been sent to all site staff in November, 2012 to remind them of the policy.

7.4 Kid Zone management should add procedures to address parents' refusal to sign Behavior Contracts and include what the implications are for not signing.

Management Response

Kid Zone has added procedures on a parent's refusal to sign Behavior Contracts on the form and listed implications.

8. Incidents of non-compliance with DHS facility cleaning and sanitation requirements were found.

DHS has established facility cleaning and sanitation requirements for site locations. We noted incidents of non-compliance with DHS requirements related to bathroom fixtures and cleanliness, bathroom supplies, and trash receptacles. DHS performs unannounced inspections of the Kid Zone sites up to four times a year. The most recent DHS inspection reports were reviewed. In the past few years, DHS also cited Kid Zone on seven separate occasions for non-

compliance with bathroom cleanliness, supplies and trash receptacle requirements.

Internal Audit performed unannounced inspections for 13 of the 18 Kid Zone sites to test for compliance with related DHS requirements. The following details our observations:

A. Bathroom Fixtures and Cleanliness

DHS R9-5-512 Cleaning and Sanitation B & C, states, B. "A licensee shall maintain facility premises and furnishings: 1. In a clean condition and 2. Free from odor. C. A licensee shall ensure that floor coverings are: 1. Clean; and 2. Free from: a. Dampness, b. Odors, and c. Hazards."

DHS R9-5-512 Cleaning and Sanitation F, 8 & 9, states, "Plumbing fixtures are maintained in a clean and working condition; and chipped or cracked sinks and toilets are replaced or repaired."

We found violations at 9 of the 13 sites inspected (70%):

Kid Zone Site	Date of Observation	Violation Noted Girls' Facilities	Violation Noted Boys' Facilities
Broadmor	11/30/12 PM	N/A	Not in clean condition
Carminati	11/30/12 PM	N/A	Not in clean condition
Curry	11/30/12 PM	Not in clean condition	Not in clean condition
Fuller	12/03/12 PM	N/A	Not free of odor
Holdeman	12/06/12 PM	N/A	Not in clean condition Not free of odor
Mariposa	12/05/12 PM	Not in clean condition Not free of odor	Not in clean condition Not free of odor
Norte	12/04/12 PM	N/A	Floor covering not free from hazards Not free of odor
Ward	11/30/12 PM	Not in clean condition	Not free of odor
Rover	12/03/12 PM	Not in clean condition	N/A

The majority of Internal Audit's inspections were conducted after regular school hours. It appears the schools are not effectively cleaning the bathrooms before Kid Zone occupies the facility.

The Employee Handbook, under "Administration – D.H.S." specifies that a DHS Licensure Specialist will visit a site up to four times a year. Program managers and site staff are responsible for maintaining all D.H.S. rules and requirements at a site and for the inspection. The Handbook suggests that site staff should always be ready for an inspection and to perform mock inspections for practice.

B. Bathroom Supplies

DHS R9-5-512 Cleaning and Sanitation F, A, 1, states, "A licensee shall ensure that: 1. Each toilet room in a facility contains, within easy reach of enrolled children: a. Mounted toilet tissue; and b. Except as provided in subsection (G): i. A sink with running water; ii. Soap contained in a dispenser; and iii. Disposable, single-use paper towels in a mounted dispenser or a mechanical air hand dryer."

Based on Internal Audit's inspections of 13 sites, we found 3 (23%) sites with violations as follows:

Arrendondo Elementary- The air dryer in the boy's bathroom in the multi-purpose room was not working and no paper towels were available.

Fuller Elementary- There were no paper towels in the girl's bathroom in the multi-purpose room.

Curry Elementary- There was no soap in the girl's bathroom in the multi-purpose room.

C. Trash Receptacles

DHS R9-5-512 Cleaning and Sanitation F, 4, states, "Except for a cup or receptacle used only for water, food waste is stored in a covered container and the container is clean and lined with a plastic bag."

Based on inspections of 13 Kid Zone sites we found 3 sites with violations (23%) as follows:

Broadmor Elementary – An uncovered trash can containing food waste was located just outside the multi-purpose room.

Curry Elementary- An uncovered trash can containing food waste was located in the multi-purpose room.

Getz Preschool- An uncovered trash can containing food waste was found in the Pre-K older 4 & 5 year old room.

D. Cleaning & Sanitation of Toys and Equipment

DHS R9-5-512 Cleaning and Sanitation F, 7, states, "Toys, material, and equipment are maintained in a clean condition."

During our site inspections it was noted that Kid Zone has no set schedule for cleaning and sanitizing toys and equipment. Actual practice at the sites ranged from as needed, daily, to 4 times a year.

There are no Kid Zone policies or procedures in place for cleaning and sanitizing toys and equipment. Not properly sanitizing toys and equipment increases the risk of staff and children contracting and/or transmitting disease.

Recommendations

8.1 Staff should routinely conduct periodic mock inspections ensuring that any noted violations are identified and corrected.

Management Response

Staff currently and will continue to conduct periodic mock inspections.

8.2 Kid Zone Management should work with school facilities representatives to address the cleanliness and condition of the bathroom facilities during Kid Zone operating hours, especially after school.

Management Response

Kid Zone management currently does and will continue to work with school district facilities representatives.

8.3 Kid Zone should establish policies and procedures to address cleaning and sanitization of toys and equipment to ensure minimum standards are followed across all site locations and regular schedules are maintained to fit individual site needs. Cleaning and sanitization should take place more often during the cold and flu season.

Management Response

Kid Zone is in the process of creating a more formal, consistent cleaning policy and schedule that will be utilized by all sites. Bleach to water ratios, length of time to soak and air dry as well as frequency will be included in the policy. The revised policy will also incorporate related existing policies and procedures.

9. Incidents of non-compliance with DHS safety requirements were found.

DHS has established safety requirements for site locations. We noted incidents of non-compliance with some DHS safety requirements related to fire drills, smoke detectors, and first aid kits. In the past few years, DHS also cited Kid Zone on four separate occasions for non-compliance with first aid kit requirements.

A. Fire Drills

DHS R9-5-301 General Licensee Responsibilities I, 2 states, "At least once a month, and at different times of the day, a licensee shall ensure that an unannounced fire and emergency evacuation drill is conducted and each staff member and enrolled child at the facility participates in the fire and emergency evacuation drill. A licensee shall document each fire and emergency evacuation drill and maintain the documentation on facility premises for 12 months after the date of the fire and emergency evacuation drill."

The historical Monthly Record of Fire Drills and Smoke Detector Battery Check logs were reviewed for the 2011/12 school year for all 18 Kid Zone sites. The following was noted:

Norte- Fire drill documentation for the 2011/12 school year could not be located.

Curry- The May 4, 2012, AM program did not have the duration of the fire drill documented.

Holdeman- A fire drill was not performed in March 2012 for the PM program.

Hudson- The May 5, 2012 program did not have the duration of the fire drill documented.

Rover K-2- AM/PM are not documenting the duration of the fire drill.

Waggoner- June and July 2012 fire drill forms did not have the time of day documented or the signature of the employees conducting the drill.



Additionally, Internal Audit's site inspections for 13 of the 18 Kid Zone locations during the period of November 30, to December 6, 2012, also revealed the following exceptions with current fire drill logs:

Fuller Elementary- The last fire drill was conducted was 10/30/12; no drill was conducted November 2012.

Waggoner- The last fire drill was conducted on 10/31/12; no drill conducted November 2012.

Hudson Elementary- The last fire drill conducted 8/19/12; no fire drills were conducted in September, October and November 2012.

Broadmor Elementary – The PM program's last fire drill was conducted

10/31/12; no drill conducted in November 2012.

Carminati Elementary- The last fire drill was conducted on 10/23/12; no drill conducted in November 2012.



We noted the following:

- 16 of the 18 operating sites (89%) did not document the date and the year in the Monthly Record of Fire Drills and Smoke Detector Battery Check logs.
- Two different forms are being used at the sites for monthly fire drills and smoke detector battery checks. The forms do not include a section to verify that smoke detector batteries have been checked (with the exception of Getz Preschool).
- The monthly fire drill forms generally are not being completed in their entirety as required.

B. Smoke Detectors

DHS R9-5-605 Fire and Safety B, 14 states, " Each smoke detector required in subsection (B)(13) is; a. Maintained in an operable condition; b. Either battery operated or, if hard wired in to the electrical system of the child care facility, has a back-up battery; and c. Tested monthly.

During our site inspections, we found that Getz Preschool did not have smoke detectors installed in any of the four modular buildings they operate at the site. Staff were erroneously confirming

that they were testing smoke detector batteries on a monthly basis on their Record of Fire Drills and Smoke Detector Battery Check Forms. What they were actually testing, was the battery in the exit signs. Kid Zone Management was misinformed by Getz School officials; they were told that the smoke detectors were housed in the exit signs when in fact; there were no smoke detectors at all.

As soon as this situation was brought to the attention of Kid Zone Management, they immediately purchased and installed smoke detectors in all 4 modular buildings.

C. First Aid Kits

DHS R9-5-514 Accident and Emergency Procedures A, 6, states, " A licensee shall ensure that there is a first aid kit on facility premises that contain first aid supplies in a quantity sufficient to meet the needs of the enrolled children including the following: 6. Reclosable plastic bags of at least one-gallon size."

During our site inspections we noted that the Kyrene Norte location did not have gallon size reclosable plastic bags in their first aid kit.

Not having the required supplies is a violation of DHS standards.

Over the past few years, DHS cited Arredondo, Norte and Wood for content missing from first aid kits between 11/08/11 and 11/26/12.

Recommendations

9.1 The same Monthly Record of Fire Drill and Smoke Detector Battery Check log should be consistently used for all Kid Zone locations. The standard form should include an area to confirm that smoke detectors have been tested as well. Management should reiterate to staff the importance of conducting fire drills and completing related forms on a monthly basis to comply with DHS.

Management Response

Management has conveyed the importance of conducting fire drills and completing the related forms properly and will continue to reiterate. Kid Zone will ensure that all sites are using the same form for the upcoming school year and that the form is dated.

9.2 Kid Zone Management should ensure that all Kid Zone locations have operative smoke detectors.

Management Response

Smoke detectors were installed at Getz Preschool as soon as it was confirmed that they had not been installed by the District. The program was unaware and misinformed about the installation, but the problem was resolved immediately upon Internal Audit's notification of the issue.

9.3 Kid Zone staff should conduct periodic mock inspections to ensure that any noted violations are identified and corrected. First aid kits should be periodically inspected to ensure they contain the required contents.

Management Response

First aid kits are inspected monthly. Supplies that are needed to replenish the kits are ordered through the Kid Zone supply office as needed. Supervisors conduct mock DHS inspections monthly and have written reports that are turned into Administration. Supervisors follow up to make sure corrective action has been taken.

10. Incidents of non-compliance with DHS nutrition requirements were noted.

Kid Zone has an agreement with the Tempe and Kyrene School Districts to provide snacks for their participants. Types and serving sizes of snacks are governed by DHS and must meet USDA nutritional requirements as well as age-appropriate servings. We identified incidents of non-compliance with DHS nutrition requirements related to menu posting and identification of type of juice served. In the past two years, DHS also cited Kid Zone on four separate dates for not identifying the type of juice served.

A. Menu Posting

DHS R9-5-303 Posting of Notices, A, 5, states, A licensee shall post in a place that can be conspicuously viewed by individuals entering or leaving the facility or activity area, the: Breakfast, lunch, dinner and snack menus for each calendar week at the beginning of the calendar week."

During our site inspections we observed that the December menu was not posted at Holdeman, Rover and Getz sites. The 2 year old Preschool room at Getz still had the October menu posted.

School district nutritional offices prepare the snack menus and provide them to Kid Zone with the exception of Getz Preschool where the menu is prepared by Kid Zone staff. December menus had not been received by Holdeman (12/6/12) and Rover advised they were

posting their menu later that day (12/3/12). Getz Preschool was in the process of preparing the menu and would have it done and posted by end of week December 7th 2012.

B. Type of Juice

DHS R9-5-509 General Food Service and Food Handling Standards C, 12 states, "Juice served to children for a meal or snack is full-strength 100% vegetable or 100% fruit juice from an original, commercially filled container or reconstituted from a concentrate according to manufacturer instructions."

DHS R9-5-509 General Food Service and Food Handling Standards C, 18, b, states, "A staff member includes on the menu the specific foods to be served on each day."

Through our site inspections we noted that neither Waggoner nor Mariposa had the type of juice being served documented on their menus. DHS previously cited Kid Zone on four separate dates between 11/08/11 and 1/25/12 for not documenting the type of juice on the menu at Kid Zone sites Manitas, Ninos and Norte.

School Districts preparing the snack menus omitted identification of the type of juice being served. Identification of specific foods being served must be included on the menu in order to comply with DHS Standards.

Recommendations

10.1 Kid Zone and the school districts should be meeting regularly to discuss any concerns on menu preparation and ensure timely delivery to and posting of menus at Kid Zone sites.

Management Response

Kid Zone does meet with school district nutritional services as needed and communicates with them monthly. The school district provides menus on a monthly basis. Snack menus should be posted for the current month. Staff have again been counseled on the process and what to do if they don't receive a snack menu.

10.2 Menus should identify the type of juice being served per DHS requirements.

Management Response

Kyrene Nutritional Services has been contacted and the March, 2013 menu will indicate 100% apple juice in the upper left corner of the menu (this is the only type of juice they serve Kid Zone participants).

Section 4 – Performance Standards and Measures

Performance standards and measures serve to improve the management and delivery of services. A well-designed performance measurement system is a positive force for change and improvement that also serves to facilitate alignment of activities with strategic plans.

Kid Zone adopts the standards set forth through industry accreditation agencies as well as DHS. Currently, 5 of the 18 centers

hold accreditation status through the National Accreditation Association (NAA). Their accreditation status will lapse in 2014 as this agency will no longer provide accreditation for before and after school programs.

There is an alternate source of accreditation through the Council on Accreditation (COA), an international, independent, not-for-profit child and family service and

behavioral healthcare accrediting organization. Management made the decision not to pursue accreditation with this agency due to fiscal constraints. In addition to annual fees for each site, there would be an approximate \$4,000 fee per site to obtain initial accreditation status. Instead, Kid Zone has established consistent standards for all 18 sites that align with the COA Standards Framework.

Kid Zone management has established a self-study process for all 18 sites. Standards

observation score sheets are used in conjunction with responses to annual surveys (distributed to participants, families of participants, staff and host site administration) to develop action plans to address deficiencies or departures from optimal program delivery processes.

We have identified areas where process improvements will serve to strengthen and add value to Kid Zone Program delivery.

11. Evidence of execution of action plans to achieve goals should be developed for all goals.

Kid Zone participates in a voluntary two-year assessment program through the Association for Supportive Child Care (ASCC) known as Self-Study. The process uses Council on Accreditation standards and surveys to create action plans for Kid Zone sites. Kid Zone is awarded \$5,000 per site to assist in implementation of improvements. While this program is only available to each site every three years, sites are encouraged to participate in a modified version of the process each year.

A new tool was developed during this self-study process: the Evidence of Execution of Action Plan document that helps to provide assurance that action plans are executed.

A review of self-study documentation for all Kid Zone sites identified that only 5 of 17 sites or (30%) had documented evidence of execution for each action plan item. (One of the 18 sites is currently in the midst of developing an action plan; therefore,

evidence of execution is premature at this time.)

Without an authorized “Documented Evidence of Execution” on record, there is no assurance that the action plans are in fact executed. Without execution, plans are ineffective. Also, some of the actions plans reviewed were close to three years old with targeted completion dates long expired for many individual action plan items. It is essential that plans are effectively executed to produce results.

One of the Kid Zone sites had the following as one of their goals:

“We would like to change our snacks to nutritional snacks, to get more informational toys, games, and books on healthy choices.”

All other goals and action plans for this location were supported with evidence of progress of execution with the exception of

this goal. Management advised that food-related discussions are held each year across all sites, but much of any ‘change in snacks’

is out of their control as they are provided by the school district.

Recommendations

11.1 Kid Zone management should ensure that all action plan items and execution methodologies are monitored and progress is documented to ensure that goals are met and program opportunities for improvement are pursued.

Management Response

Each Kid Zone site will have surveys, plans of action and execution of action forms completed by the end of the school year.

11.2 Consideration should be given to opening channels of discussion with the school districts regarding snack content, quantities and pricing to address identified concerns.

Management Response

Kid Zone meets formally two times per year with District Office Nutritional Services. We will continue this process to improve the variety and type of snack.

12. Relevant, effective action plans must be current and flexible.

Kid Zone’s goal is to have an overall rating of 90% satisfaction or above for all Program attributes. Satisfaction is measured through surveys, which are distributed annually to the following stakeholders of the Kid Zone Program:

- Child/Youth
- Family
- Personnel and Volunteer
- Host

The bench mark used to be 80%, but they raised it to 90% as collectively, surveys consistently reached this mark. The 80% rating is what they use to determine if specific areas need to be addressed. Management advised that site staff and supervisors discuss these ratings and make immediate changes or develop action plans accordingly. They utilize 80% as their impetus for action even though the accreditation standard is only 67% to take

corrective action. Management assessed 67% as too low to strive for and kept the higher expectations for the Program. In order to determine whether Kid Zone site performance is continually measured, results are monitored, and issues are addressed through executed action plans.

A sample of survey items were selected from the most recent annual survey process (FY2011-2012) for Child/Youth where less than 80% of the participants agreed with the survey statement, indicating they were less than satisfied with a particular aspect of the Program. Specific action plans were requested in response to the low scores experienced in this sample. The following observations were noted:

1. Carminati

Survey Statement - The adults at the program are fair to everyone.

In FY2011/12, only 54.55% of participants agreed that the adults at the program were fair to everyone. The prior year (FY2010/11) 100% felt they were fair. This score indicates a decline in this area. The only documentation provided to Internal Audit to support that action was taken based on the survey responses was action plans dated November 2009 compiled through the self-study process. November 2009 action plans are not relevant to 2012. A goal was established in 2009 that “staff recognize and respond to individual needs of each child.” The steps to achieve the goal were: 1. Need to understand and recognize cultural differences of children and 2. Obtain more elements and activities pertaining to cultures and interests of children. The targeted date of completion was Spring 2010. There is no

documented evidence of execution of these methodologies to achieve these goals.

Survey Statement - The adults at the program listen to what I want to do and help me make it happen.

In FY2011/12, only 72.73% of participants agreed with this statement. Again, the prior year’s score (FY2011) was 100%, indicating a decline in this area. Support that recent action was taken was not provided; only a 2009 action plan was evident, which is not relevant to the current status quo. 2009 goals included: Staff actively engage and relate to children in a positive way by: Staff say hello and goodbye to every child, and staff tell children what they are allowed to do rather than what they cannot do. These steps were targeted for immediate implementation. There is no documented evidence of execution of these methodologies to achieve these goals

Survey Statement - There are enough things to do here so that everyone gets a turn.

A goal was established in 2009: “Program materials are in good condition, sufficient and developmentally appropriate for children.” In FY2010/11 a materials grant was received to purchase additional equipment and materials. Survey results of FY2011/12 reported only 72.73% of survey respondents were satisfied with this aspect of the program, indicating some dissatisfaction still exists.

2. Fuller

Survey Statement - The adults at the program listen to what I want to do and help me make it happen.

In August 2011, Fuller established a goal: ‘The program setting is welcoming and engaging and helps children and youth feel physically and emotionally comfortable and supported.’ Targeted completion of specific action steps ranged from ASAP to August 2012. Only 72.22% of survey respondents agreed with this statement in FY2011/12. There is no documented evidence of execution of this methodology to achieve this goal.

Survey Statement - There are enough things to do here so that everyone gets a turn.

In August 2011, Fuller established a goal: ‘Personnel work with children and youth to develop, plan and implement activities that reflect their needs and interest.’ Targeted completion of specific action steps ranged from ASAP to August 2012. Only 77.63% of survey respondents agreed with this statement in FY2011/12. There is no documented evidence of execution of this methodology to achieve this goal.

3. Scales

Survey Statement - The adults at the program listen to what I want to do and help me make it happen.

In September 2009, Scales established various action plans to address child/youth

concerns in this area that were targeted for completion January 2010. The FY2011/12 surveys scored 78.79% agreement with this statement. There is no documented evidence of execution of the action plans to raise the level of participant satisfaction.

4. Ward

Survey Statements - I like the activities at my after-school program & there are enough activities for me at the after-school program.

For both of these questions, Ward’s score was less than 80% satisfied (77.27% and 78.79% respectively), although there was some improvement over the prior year. In August 2011, four goals were established to address this area of programming (and numerous methodologies) with target completion dates of March 2012. There is no documented evidence of execution of these methodologies to achieve these goals.



Specific concerns may not be addressed on a timely basis if prompt attention is not given to areas of customer dissatisfaction. Also, recurring problematic areas may be an indication that the past action plans and methodologies to execute the plans may not be adequate to effectively resolve specific issues.

Recommendation

12.1 Action plans should be current and flexible with reasonable target execution dates. The effectiveness of the application of historic action plans to current issues is dubious. Current areas of dissatisfaction should be addressed through current action plans. All action plans should be monitored for progress through Evidence of Execution work sheets.

Management Response

While action plans could not be located for all survey results under 80%, Kid Zone is in a daily process of making corrections at the site level. Evidence from the most recent survey totals show Kid Zone has improved in all the above referenced areas. They are all currently above 80% and 7 of the 8 questions are currently at or above 90% approval. Action plans will be completed for all action items moving forward and collected and stored for future reference

13. Anonymity assurance should be provided for all survey participants.

Program satisfaction surveys are made available to families and Program participants at each Kid Zone site location. Family members have the option to complete their surveys on site, or if they wish, they can return them to the site at a later date; but typically, they are completed on site and turned into staff on location. Child/youth surveys are often completed with the assistance of a staff member. Boxes or other sealed containers to receive surveys anonymously are not made available.

When there is an actual or perceived lack of privacy associated with participant satisfaction surveys, lower participation may be experienced and/or responses that are less than candid, which defeats the purpose of the survey process. Concerns may not be expressed. This is further exacerbated when child/youth surveys are completed with the assistance of Kid Zone staff; these young participants may not be forthright with their responses when they are completed in the presence of and with the help of persons of authority.

Recommendation

13.1 Assurance of anonymity should be provided for all survey participants. At a minimum, sealed return boxes or mail-in options should be made available for survey participants. Consideration should also be given to developing and establishing an electronic survey process. Besides being more eco-friendly, there are typically less costs associated with an electronic survey process and it is much easier to offer survey respondents complete anonymity, thereby increasing the chances of getting candid and constructive input from survey respondents.

Management Response

Staff will be asked to include three options to turn in surveys for anonymity assurance. They will be: Option #1 – provide a drop box at the site; Option #2 – include our email address so that parents may scan documents and email them to the Kid Zone inbox, and Option #3 – provide parents with the Kid Zone Office address to turn in their surveys. Kid Zone will also look into the City of Tempe resources for providing electronically administered surveys.

14. Survey questions should ask for answers on only one dimension.

One area that has a tendency to have somewhat low levels of agreement or satisfaction scores relates to the following survey statement: *I like the food here and get enough to eat and drink*. In FY 2011/12, 25% of the sites surveyed did not agree with this statement. Satisfaction scores ranged from 53.95% to 78.79%. The FY 2010/11 survey results indicated that 32% of the sites did not agree with this statement. Satisfaction scores ranged from 50.0% to

76.32%. This survey statement is a compound statement, so it is difficult to determine whether or not it is the food content, volume, or both aspects where dissatisfaction lies. Do they not like the food or are they just not getting enough? When a statement asks for satisfaction level responses on more than one dimension, it will not clearly provide the information you are seeking.

Recommendation

14.1 Each survey statement should seek levels of satisfaction on only one dimension; the food related statement should be broken down into two statements.

Management Response

Starting our next survey cycle in February 2014, we will separate the two-dimensional question “I like food here and get enough to eat and drink” into two separate questions. Question #1 will read “I like the food at Kid Zone” and Question #2 will read “I get enough to eat and drink at Kid Zone.”

Kid Zone will check with the accreditation agency for our after school sites to see if the questions on the survey can be changed for the accredited sites. Survey questions come directly from NAA and we many need to follow their protocol for accredited sites only, (while they are accredited.)

