

REPORT HIGHLIGHTS



May 2025 | A-05-24-00001

Minnesota Could Better Ensure That Childcare Assistance Providers Comply With Attendance Requirements

Why OIG Did This Audit

Prior OIG work found that States did not ensure providers adequately documented and maintained childcare attendance records and did not always verify the completeness and accuracy of attendance records. In addition, an audit performed by the Minnesota Office of the Legislative Auditor found the State did not always validate that provider billings aligned with childcare attendance records. We performed this audit to determine whether Minnesota complied with attendance and payment requirements for services at childcare centers.

What OIG Found

Minnesota did not comply with Federal and State attendance documentation requirements for some payments made under its Child Care Assistance Program (CCAP) for 2023. For 38 of the 200 randomly selected childcare assistance payments, Minnesota did not comply with requirements related to attendance and payment for services. For the remaining 162 payments, we did not identify any errors related to attendance or payment. Based on our sample results, we estimate that 11 percent of all payments made to 1,155 licensed childcare centers in 2023 had 1 or more errors related to attendance and payment for services. Minnesota's limited oversight of attendance documentation at childcare centers resulted in overpayments to providers.

What OIG Recommends

We recommend that Minnesota:

1. work with the childcare providers to collect, as appropriate, overpayments of CCAP claims identified by our audit;
2. strengthen its monitoring program to include routine reviews of CCAP attendance records for accuracy; and
3. continue to take steps to automate childcare attendance records through real-time electronic reporting as recommended by the Minnesota Office of the Legislative Auditor.

Minnesota concurred with our recommendations and described actions that it has taken or plans to take in response to our recommendations.