



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF AUDIT SERVICES  
233 NORTH MICHIGAN AVENUE  
CHICAGO, ILLINOIS 60601

REGION V  
OFFICE OF  
INSPECTOR GENERAL

November 16, 2005

Report Number: A-05-05-00025

Ms. Virginia B. Saleem  
Director, Head Start Program  
Detroit Department of Human Services  
Child Development Division  
5031 Grandy Street  
Detroit, Michigan 48211

Dear Ms. Saleem:

Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG) final report entitled "Review of Head Start Enrollment at the Detroit Department of Human Services."

In accordance with the principles of the Freedom of Information Act, 5 U.S.C. 552, as amended by Public Law 104-231, OIG reports issued to the department's grantees and contractors are made available to the public to the extent information contained therein is not subject to exemptions in the Act (see 45 CFR Part 5).

Should you have any questions or comments about this report, please direct them to the HHS official named below. Please refer to report number A-05-05-00025 in all correspondence.

Sincerely yours,

Paul Swanson  
Regional Inspector General  
for Audit Services

Enclosures - as stated

**Direct Reply to HHS Action Official**  
Joyce Thomas, Regional Administrator  
Administration for Children and Families  
U.S. Department of Health and Human Services  
Region V  
233 N. Michigan Avenue, Suite 400  
Chicago, Illinois 60601

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**REVIEW OF HEAD START  
ENROLLMENT AT THE  
DETROIT DEPARTMENT OF  
HUMAN SERVICES**



**Daniel R. Levinson  
Inspector General**

**NOVEMBER 2005  
A-05-05-00025**

# *Office of Inspector General*

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## **OAS FINDINGS AND OPINIONS**

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the HHS divisions will make final determination on these matters.



## **EXECUTIVE SUMMARY**

This report provides the results of our audit for Head Start enrollment at the Detroit Department of Human Services (grantee).

### **BACKGROUND**

Head Start is a Federal grant program administered by the Administration for Children and Families (ACF). It is designed to promote school readiness by enhancing the social and cognitive development of low-income children.

The grantee administers the largest Head Start program in Michigan by contracting with seven sub-grantees (delegates) to provide Head Start services to Detroit-area children. Federal regulations require that Head Start grantees maintain funded enrollment levels and promptly fill vacancies as they are identified. Because regional ACF officials noted enrollment problems at the start of program year 2005 and reduced budgeted enrollment at the grantee, ACF requested that we evaluate and report on actual enrollment by the grantee.

### **OBJECTIVE**

Our objective was to determine whether enrollment in the Detroit Head Start Program was in accordance with ACF funding levels.

### **RESULTS OF REVIEW**

Our audit of the Detroit Head Start program disclosed that actual enrollment at delegate agencies generally attained the budgeted funding levels.

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## **INTRODUCTION**

### **BACKGROUND**

Head Start is a Federal grant program enacted under Title V of the Economic Opportunity Act of 1964 and administered by the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services. It is designed to promote school readiness by enhancing the social and cognitive development of low-income children. ACF Regional Offices award grants directly to grantees, who contract with private organizations, community groups and school systems for the purpose of operating Head Start classrooms at the community level.

The Detroit Department of Human Services (grantee) administers the largest Head Start program in Michigan by contracting with seven sub-grantees (delegates) to provide Head Start services to Detroit-area children.

Federal regulations require Head Start grantees to maintain funded enrollment levels and to promptly fill vacancies. Pursuant to 45 CFR §1305.7 (b):

A Head Start grantee must maintain its funded enrollment level. When a program determines that a vacancy exists, no more than 30 calendar days may elapse before the vacancy is filled.

ACF initially approved a grantee funding request for 7,497 children for program year 2005 but reduced the budgeted funding level by 206 when the grantee only contracted to serve 7,291 children. The shortfall in the originally expected enrollment occurred because the largest delegate, Detroit Public School system, closed several schools and reduced the number of classrooms available for the Head Start program.

In the financial assistance award, dated November 2, 2004, ACF officials noted that the grant application did not identify the delegates that would provide Head Start services to the additional 206 children. ACF reduced grantee funding by \$912,308 until the enrollment level issue was resolved. Since the slots were not reassigned during the grant period, the funding was not reinstated.

Because regional ACF officials noted enrollment problems at the start of program year 2005 and reduced budgeted enrollment by the grantee, ACF requested that we evaluate and report on actual enrollment at the grantee.

### **OBJECTIVE, SCOPE AND METHODOLOGY**

#### **Objective**

Our objective was to determine whether enrollment in the Detroit Head Start Program was in accordance with ACF funding levels.

## **Scope**

We reviewed enrollment rates reported by the grantee and supporting attendance data at three delegates for the program year ending October 31, 2005. During the audit period, the grantee received adjusted funding to serve 7,291 children.

We did not perform a detailed review of the grantee's internal controls. We limited our review to obtaining an understanding of the policies and procedures that the grantee used to track enrollment and to ensure that the adjusted enrollment levels were actually attained.

We performed fieldwork at the grantee's central office and selected delegates in Detroit, Michigan from March through April 2005.

## **Methodology**

To accomplish the audit objectives, we reviewed:

- applicable Federal regulations and ACF guidance;
- financial and program reports issued to the grantee by ACF;
- HHS Departmental Appeals Board Decisions related to enrollment and attendance; and
- grant applications, program information reports, and classroom attendance rosters and policies.

We performed a review of enrollment and attendance records for the week ending March 14, 2005, at three of the delegates: Detroit Public Schools, Hartford and New Saint Paul (one school system and two private organizations). This included on-site file reviews at all Hartford and New Saint Paul classrooms and 27 Detroit Public School sites. For the remaining Detroit Public School sites, we reviewed the files at the delegate's main office.

We performed the audit in accordance with generally accepted government auditing standards.

## **RESULTS OF REVIEW**

Our audit at the Detroit Head Start program disclosed that delegates generally met the adjusted enrollment levels established by ACF. Federal regulations require that Head Start grantees maintain funded enrollment levels and promptly fill vacancies. The Detroit Head Start program contracted with seven delegates to provide Head Start services to Detroit-area children. Because our review of enrollment records at Detroit Public Schools, Hartford and New Saint Paul disclosed no material differences between the funded and actual enrollment rates, we have no recommendation to report.