REFERENCES

- The Community Services Block Grant Act (42 U.S.C. 9914 et seq.) as amended Section 678B Monitoring of Eligible Entities
- Title IV, Energy Conservation and Production Act, as amended, authorizes the Department of Energy (DOE) to administer the Weatherization Assistance Program (WAP) (42 U.S.C. 6861 et. Seq.)
- WAP regulation, 10 CFR 440.23(a) – Oversight, Training, and Technical Assistance
- U.S. DOE, WPN 12-5 released December 1, 2011 (Financial Monitoring Requirements)
- U.S. Department of Health and Human Services (DHHS), Office of Community Services (OCS), Information Memorandum (IM) 138 released 2015
- U.S. DHHS, OCS, IM 116 revised April 2, 2010
- BCAEO Administrative Rules
- BCAEO Monitoring Procedures Guide
- Community Action Partnership Organizational Standards for Private and Public Community Action Agencies adopted by the State of Michigan CSBG Office, BCAEO on October 1, 2015

ATTACHMENT

- Corrective Action Plan Form

PURPOSE

To provide policy regarding the monitoring requirements for all BCAEO administered programs. BCAEO monitors all eligible entities for compliance with performance goals, organizational standards, financial management requirements, federal statutes, and state requirements.

Note: Michigan's definition of "eligible entity" is a CAA or Local Weatherization Operator (LWO).

POLICY

The eligible entity must comply with all federal, state, and local requirements, policies, and procedures. As of October 1, 2015, Michigan has adopted the new Organizational Standards without additions, substitutions, and deletions from the national organizational standards. View the standards at http://www.communityactionpartnership.com/storage/cap/documents/OSCOE/Feb%202015/oscoe_developed_standards_seperated.pdf.

Upon BCAEO's approval of contract plans and budgets, the eligible entity is responsible for properly engaging, procuring, administering, and monitoring the expenditures associated with each Agreement. BCAEO will monitor the eligible entities for compliance.

BCAEO, and other monitors as necessary, reserves the right to perform scheduled and unscheduled on-site visits during normal business hours, to monitor the eligible entities' activities at any time, either during the term, or within three years after termination of the Agreement. The eligible entity shall cooperate with all monitors during the monitoring process by making available all records, facilities, and other resources necessary to perform the review.

BCAEO will issue a written monitoring report within 60 days of the exit conference. A draft copy of the monitoring report will be sent to the agency's Executive Director to give the agency an opportunity to check facts or clarify findings. The Executive Director will then have five working days to respond to the draft report, after which, the monitoring report will be finalized and sent to the Board Chair and the Executive Director. The Final Monitoring Report may include the following: "Findings", "Recommendations", "Observations", and "Best Practices". "Findings" will include instances of non-compliance with statutes, regulations, policies, or procedures established by the agency itself, the state, or federal agencies. "Recommendations" will include "best practices" that can contribute to increased agency effectiveness. "Observations" will include conditions that have the potential to lead to problems for the agency including deficiencies in agency management and governance systems. "Best Practices" will include observations in high performance, exceptional practices, and innovative solutions.

State of Michigan contract language states "MDHHS's Grant Monitor may require Grantee to remove or reassign personnel by providing a notice to Grantee." Prior to exercising this section of the contract, BCAEO would outline corrective action for the agency including a Quality Improvement Plan (QIP). BCAEO staff will work closely with the Grantee Executive Director to provide training and technical assistance to improve

practices and enhance the knowledge of the staff identified as a risk to the program. Reasons that a staff would be identified as a risk to a program include:

- Unethical decisions
- Fraudulent Activity
- Reoccurring inaccurate practices related to a specific program

The eligible entity must return disallowed costs, using non-federal and non-state funds, according to the instructions listed in the monitoring report. If the eligible entity cannot repay the disallowed costs in one lump sum or transfer costs to another contract or funding source, the eligible entity must immediately contact BCAEO. (This will initiate a repayment discussion.)

The eligible entity is responsible for notifying their governing board about the monitoring report including disallowed costs and repayment methods, if necessary. The minutes must reflect the notification, repayment method, and corrective action to ensure future compliance.

Agencies that have financial solvency problems must notify the board. The minutes must reflect solutions to resolve the eligible entities financial problems before it becomes a serious deficiency.

The eligible entity is required to correct the problems in the monitoring report by providing the requested Corrective Action Plan (CAP), Technical Assistance Plan (TAP), or Quality Improvement Plan (QIP). If an eligible entity is unable or unwilling to correct identified deficiencies, after review, follow-up and/or training and technical assistance, BCAEO will implement a process outlined in federal and state law that can result in the loss of the Community Action Agency designation.

A **CAP, TAP, and QIP** is a step by step plan of action that is developed to achieve targeted outcomes for long term resolutions of identified errors or deficiencies in an effort to:

- Identify the most cost-effective actions that can be implemented to correct error causes
- Develop and implement a plan of action to improve processes or methods so that outcomes are more effective and efficient
- Achieve measureable improvement in the highest priority areas
- Eliminate repeated deficient practices

A Corrective Action Plan immediately addresses deficiencies or will address the deficiencies within 30 to 60 days. The CAP may include informal staff training to ensure a long term solution.

A Technical Assistance Plan includes more steps and a longer time period to correct the deficiencies than the CAP. A TAP can be between 3 to 12 months. If an agency shows progress but has not completely resolved the issue, another TAP may be issued. It is in the eligible entities best interest to make a correction as quickly as possible to limit future findings. The TAP may include formal and informal staff training from an outside partner to ensure a long term solution.

A Quality Improvement Plan may be requested by BCAEO to correct significant and/or serious deficiencies identified in monitoring. For more information see CSPM 501 or IM 116. The QIP must contain clear timelines, benchmarks for progress, and deliverables to show progress in correcting the deficiencies. The agency's board must approve and monitor the plan. BCAEO may request quarterly review meetings with the board to ensure the successful completion of the QIP. The QIP requires formal and informal training.

CAP, TAP, and QIP:

Minimum components of the plan:

- Finding Summary
- Detailed description of the action to be taken and a justification statement on why this action will correct the deficiency.
- Timeline of activities with corresponding measurable activities and the staff responsible for achieving the results. Include the date the eligible entity expects to have made all the required corrections (as needed).
- The Corrective Action Form may be used to create a plan.

Eligible Entity Status Updates for Approved CAP, TAP, and QIP:

- Complete each activity in the plan by the due date in the timeline.
- Send support documentation to BCAEO that verifies the progress made to correct the deficiencies.
- The Corrective Action Form may be used to submit status updates.

U.S. Department of Health and Human Services, Office of Community Service, IM 138 states, *"As long as the State is confident that the eligible entity is moving towards meeting standards, under a technical assistance plan, QIP, or other oversight mechanism, the State should not initiate action to terminate or reduce funding."*

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES

Corrective Action Form

Authority: CSBG Act Section 676 B(A)(2); CSPM 1300; OMB Uniform Guidance

Agency Name: Date of Status Report:

Monitoring Type: MVID:

Provide an explanation of your agency's corrective action plan for each finding listed in the monitoring report, estimated timeframe, and the person(s) responsible. Email, DHS-BCAEO@michigan.gov, the completed form to create a plan or report on the status of a plan. Each finding could have multiple lines in the form, use one line per action step with a corresponding estimated timeframe. Select the type of plan below. Please attach additional documentation as needed (org chart, policies, board minutes, training material, sign in sheets, general ledger, invoices, etc.)

Type: __ Corrective Action Plan __ Technical Assistance Plan __ Quality Improvement Plan

Plan:

Finding Number	Finding/ Deficiency	Brief Explanation of action to be taken to correct deficiency	Estimated timeframe	Person Responsible

Evidence (Evidence that shows the correction has been achieved):

Finding Number	Evidence of Correction	Verified by	Date	Progress/Status	Accepted by BCAEO

Activities (Activities that will take place to achieve correction):

Finding Number	Action Step	Completion Date	Person Responsible	Attachments/Comments

Date approved by the Board of Directors:

Signed: Title: