

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 1 of 21 |
| Bureau of Community Action and Economic Opportunity Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

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, Weatherization Program Notice 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
- 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

PURPOSE

This Monitoring Procedures Guide outlines the protocol for BCAEO when conducting pre-award agency assessments and post-award monitoring activities.

Section 678(B) of the CSBG Act (42 U.S.C. 9914) requires:

IN GENERAL – In order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of a State, the State shall conduct the following reviews of eligible entities:

- 1) A full onsite review of each such entity at least once during each 3-year period
- 2) An onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 2 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

community services block grant program.

- 3) Follow-up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State.
- 4) Other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants (other than assistance provided under this subtitle) terminated for cause.

Under the block grant framework established in the CSBG Act, States have both the authority and the responsibility for effective oversight of eligible entities that receive CSBG funds. Section 678B of the CSBG Act requires BCAEO to establish “performance goals, administrative standards, financial management requirements, and other requirements” that ensure an appropriate level of accountability and quality among the eligible entities.

Title IV, Energy Conservation and Production Act, as amended, authorizes the DOE to administer the WAP (42 U.S.C. 6861 et. Seq.). In accordance with 10 CFR 440, BCAEO has a responsibility to perform monitoring and oversight of the program implementation and work performed by all its WAP sub-grantees.

MONITORING PROCEDURES

This Monitoring Procedures Guide will ensure the financial and programmatic integrity of the eligible entities receiving funds from BCAEO. To ensure this objective is realized, BCAEO will conduct due diligence prior to the awards and the appropriate post-award monitoring activities are planned and implemented. Monitoring federal awards advocates good stewardship of funds, and ensures that projects are carried out in the manner consistent with the eligible entity’s approved work plans. BCAEO has implemented a performance-based framework for developing a monitoring strategy which integrates the delivery method and type of monitoring activity conducted for each eligible entity. This strategy is designed to measure relative factors across awards for each eligible entity and to prioritize a set of monitoring activities by agency assessment categories. An annual agency assessment is conducted to evaluate and score each agency and is the basis of this framework.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 3 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

Agency Assessment Criteria:

1. Financial stability
2. Quality of management systems
3. Board compliance
4. Program performance
5. Reports and findings from monitoring
6. Single audit or financial audit
7. Staff experience/Turn over
8. Reports - Timely submission of financial, program, progress, technical reports, and financial reporting error/revision rate
9. Organizational standards
10. Client complaints

Programmatic Monitoring

Programmatic monitoring addresses the content and substance of the programs. It is a qualitative review to determine performance, innovation, and impact to moving low-income individuals and families to self-sufficiency. It assesses whether approved activities are consistent with the work plan identified in the contract, ROMA goals and objectives are accomplished, and are compliant with statutory regulations and other policy guidelines.

Programmatic monitoring also involves:

- Assessing technical assistance needs and evaluating program outcomes.
- Monitoring administrative activities including compliance with the programs terms and conditions, reporting requirements, and completeness of documentation.

Financial Monitoring

Financial monitoring ensures compliance with financial guidelines and general accounting practices. Financial reviews are conducted to determine if:

- Eligible entities are properly accounting for the receipt and expenditures of federal and state funds administered by BCAEO
- Expenditures are in compliance with federal, state, and local requirements and award special conditions

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 4 of 21 |
| Bureau of Community Action and Economic Opportunity Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

- Proper documentation is available to support financial activities.

Desk Review Monitoring

Desk review monitoring is a thorough review of the eligible entity's contract and includes contacting staff to discuss data in source documents, activities and project status for the following purposes:

- Ensure that the records are complete and the documents support approved activities.
- Determine if the agency is in compliance with the program guidelines.
- Determine if activities of the grant are being implemented properly.
- Assess the progress of the program and identify any problems.

Follow-Up/Focused/Targeted Reviews

If follow-up is needed, send an email to the CAA requesting specific documents with a timeframe to respond or their non-response will be listed in the monitoring report/management decision letter. Typically, these types of reviews are generated by a high risk assessment score or a technical assistance plan/quality improvement plan.

BCAEO will conduct follow-up and quality improvement plan/corrective action plan/technical assistance plan (QIP/CAP/TAP) reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements. BCAEO will conduct other reviews as appropriate, including reviews of entities with programs that have had other federal, state, or local grants, other than assistance provided under CSBG, terminated for cause.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 5 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

MONITORING REVIEW

BCAEO will monitor grantees in the areas listed below in addition to other federal, state, and local policies.

1. Governance - Public Law 105-285. Section 676B and Section 676(b)(10)
 - a. Board of Directors - composition, attendance, training, effectiveness, knowledge of roles & responsibilities, attendance, by-laws, financial status, board engagement, goal achievement, ROMA, Organizational Standards
 - b. CEO Evaluation

2. Planning - Public Law 105-285. Section 676B(a)(1), Section 676B(b)(2), and Section 676(b)(11).
 - a. Agency Mission, Vision, Values
 - b. Strategic Planning, Evaluation, and Community Assessment
 - c. Agency Wide Budget
 - d. ROMA Planning

3. Evaluation - Public Law 105-285. Section 678E and Section 676(b)(12)
 - a. ROMA Implementation (Board and staff) on an agency-wide basis as a framework for sound management
 - b. Agency outcomes and performance measures
 - c. Reporting to funders and to the Board of Directors
 - d. Organizational Standards implementation
 - e. Government Performance and Results Act (GPRA) implementation

4. Partnerships - Public Law 105-285. Section 676(b)(9)
 - a. Coordination/collaboration/linkages with relevant partners
 - b. Subgrantees/delegates
 - c. Other Federal, State, and Local funders

5. Administrative systems and procedures - Public Law 105-285. Section 678D. Fiscal Controls, Audits and Withholdings and Section 678F. Limitations on Uses of Funds and Section 678D.
 - a. HR & personnel policies
 - b. Financial Systems, Internal Controls, and Financial policies
 - c. Records retention
 - d. Technology implementation and planning

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 6 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

- e. Financial/Administrative
 - f. Equipment and purchasing/inventory/materials
 - g. Conflict resolution and grievance procedures
 - h. CSBG Assurances and Prohibitions
 - i. Review pending and past litigation
6. Fiscal procedures - Public Law 105-285. Section 678D and Section 678F
- a. Audit and results of previous/other monitoring/fiscal issues
 - b. Financial management/Accounting systems and operations
 - c. Payroll/Personnel
 - d. Vehicles and equipment
 - e. Procurement
 - f. Sub-Awards/Subgrantee monitoring
 - g. Invoicing
 - h. Records retention
7. Programmatic & Management Monitoring – 10 CFR 440, OMB Circulars, 10 CFR 600
- a. Programmatic review (client file review, work orders, etc.)
 - b. Eligibility
 - c. Production
 - d. Rental
 - e. Feedback and reporting
 - f. Energy audits/Final inspections
 - g. Field work
 - h. Health & safety
 - i. Quality assurance
 - j. Training & technical assistance
 - k. Monitoring (if applicable)
 - l. Qualifications and certifications
 - m. Staff or entity performing the monitoring
 - n. How monitoring results are handled and required follow-up procedures
 - o. Complaints

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 7 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

MONITORING PROCESS

In order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements (review CSPM, contract language, CSBG State Plan, DOE State Plan and other federal/OMB/state/local policies), the following monitoring process will be followed:

- A) STAR Assessment (State Technical Assessment Report):** Conduct an annual STAR Assessment to review the merit and factors associated with a potential grant recipient prior to making an award per 2 CFR Part 200 Uniform Administrative Requirements.

The initial STAR Assessment will be conducted annually to coordinate with the CSBG Model State Plan submission. STAR Assessments are updated during the CSBG contracting process; after monitoring (onsite or desk reviews); after fiscal year and contract closeout and in coordination with other BCAEO managed grant programs, as needed. Based upon the assessment score, BCAEO may increase monitoring frequency. The qualitative STAR Assessment score using the following categories:

- ★★★★★ Excellent (Low Risk Grantee)
- ★★★★ Good Standing (Low Risk Grantee)
- ★★★ Average Standing (Average Risk Grantee)
- ★★ Moderate (Moderate Risk Grantee)
- ★ High Risk - Significant Deficiencies (Reported to HHS/OCS)

- B) Monitoring Plan and Schedule:** BCAEO will develop and implement a monitoring plan and schedule based on the STAR assessment categories. The monitoring plan and schedule defines the type of monitoring to be conducted. The score is subject to change any time during the year. Modifications to the monitoring plan and schedule may result.

Serious Deficiencies, as defined by the U.S. Department of Health and Human Services, means findings that the eligible entity is not in compliance with Federal or State law or eligible entity bylaws; or that the eligible entity has committed fraud, is in financial difficulty, or is not able to provide services. All serious deficiencies must be reported to the U.S. Department of Health and Human Services.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 8 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

C) Monitoring: Monitoring is conducted as outlined in the annual monitoring plan and schedule using this monitoring procedures guide.

As defined in Section 678B(a) of the CSBG Act, the State will conduct **monitoring** visits and a full on-site review of each eligible entity at least once during each three-year period. The States will conduct an on-site review of each newly-designated entity immediately after the completion of the first year in which the entity receives CSBG funds. Note: Full or comprehensive monitoring consist of a financial, programmatic, and organizational standards review. These reviews may occur at the same time or at different times. BCAEO’s goal is for all components to be conducted within the required three year period.

Follow-up reviews including prompt return visits to eligible entities, and monitoring of their programs that fail to meet the goals, standards, and requirements established by the State. Peer assistance from State department auditors and/or CAA financial directors is a best practice in Michigan.

Single Audit Management Decision Reviews:

The Michigan Department of Health and Human Services, Office of Quality Assurance and Internal Controls (OQAIC) receives the single audit to review. When findings are listed in an agencies single audit, the OQAIC requests a response from the agency. BCAEO reviews the finding and the agency’s response OQAIC. The OQAIC will be provided a copy of BCAEO’s management decision for their records.

Other reviews as appropriate, including reviews of eligible entities with programs that have had other Federal, State or local grants terminated for cause.

Monitoring Steps:

As required by section 678B (Monitoring of Eligible Entities) of the CSBG Act, BCAEO shall, pursuant to section 678C of the Act.

Monitoring consists of three phases: 1.) the pre-monitoring review plan; 2.) the monitoring review; 3.) post-review tasks.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 9 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

- 1.) The Pre-Monitoring Review plan – prior to arrival BCAEO will:
 - a. Schedule the onsite/other visit (from 1 month to 2 weeks prior to monitoring)
 - b. Send a confirmation email/Pre-Monitoring memo to the agency confirming the review (confirm the date(s) and get contact information)
 - c. Review contract files and data maintained in FACSPRO
 - d. Request source documents
 - e. Develop a list of information, documents, and activities to be reviewed and questions to ask the agency
 - f. Compile materials to take to the onsite visit
 - g. Prepare a draft agenda (send agenda 2 to 3 days before entrance conference)

- 2.) The Monitoring Review – during the review BCAEO will:
 - a. Conduct an entrance conference. This entrance conference is conducted with the project point of contact, agency director, project personnel or financial/accounting staff and is used to set the tone, establish expectations for the monitoring, and obtain issues and concerns from the agency.
 - b. Conducts a programmatic, administrative, organizational standards, and financial review. BCAEO monitors will review the agency's files to ensure that all information contained in them is current and the financial management system and other requirements have been satisfied.
 - c. Conducts interviews and evaluates information.
 - d. Conducts an exit conference. The exit conference is conducted with the project point of contact and designated personnel. The exit discussion is used as an opportunity for the agency to ask questions and to discuss issues identified during the monitoring visit.

- 3.) Post-Review/Contact – BCAEO will:
 - a. Follow-up with the agency on any remaining items left undone during the monitoring visit. (30 days from exit conference)
 - b. Prepare and send the monitoring report to the agency. (30 days from exit conference – BCAEO admin staff will send out a draft report to the executive director for a 5 day review period prior to the official copy being issued)
 - c. BCAEO will offer training and technical assistance, if appropriate, to help the eligible entity correct the deficiency.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 10 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

- d. Follow-up with the agency until all findings, corrective action plans, technical assistance plans, and quality improvement plans have been resolved.
- e. BCAEO will send a close out letter to signify all issues have been resolved.
- f. BCAEO will be developing a survey to get feedback on how well the monitoring review was conducted.

Pre-Monitoring Preparation

Prior to the actual onsite monitoring visit, BCAEO conducts a number of tasks could include but not limited to review of past monitoring reports, corrective action, agency assessment, and single audit findings to prepare for the visit. Adequate preparation prior to a visit provides the BCAEO monitors with the background information necessary to conduct a thorough visit. Prior preparation also helps to ensure that the agency can assist BCAEO with relevant information about the programmatic, administrative, and financial oversight of the programs, as well as provide a comprehensive overview of the status of the programs.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 11 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

MONITORING COMPONENTS

Monitoring components may include but are not limited to this list:

- Annual agency assessment to prioritize monitoring visits.
- Meet with the board as a whole, if possible.
- Attend staff meetings and/or management meetings.
- Interview staff and board members.
- Take a tour of the office.
- BCAEO will review financial and programmatic reports to access the following:
 - review of actual accomplishments to the objectives established for the grant period;
 - a justification for objectives not met;
 - appropriate, analysis and explanation of cost overruns or high unit costs or admin costs with low or no program costs;
 - if expenditures are consistent with goals and objectives for the grant period of performance.
- Review audit, 990's, balance sheet, and other financial papers and corporate documents as desk monitoring, or review in preparation for an onsite visit.
- Source documentation (purchase orders, invoices, cancelled checks, payroll, time and attendance records) for randomly selected transactions under each contract are reviewed to determine the nature of the expenditure and to establish its allowability.
- Review last year's report and other available monitoring reports supplied by the agency (Head Start, WX, LIHEAP); BCAEO monitors will routinely receive and review copies of all monitoring reports from every CAA funding source. In particular, BCAEO monitors will examine whether or not the agency has developed and implemented formal plans to correct issues raised in audit and monitoring reports. The reports and corrective action plans will be reviewed to determine whether there is a pervasive year to year problem or pattern

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 12 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

throughout the agency and whether the problem(s) get resolved. For example, if several reports identify fiscal issues, the monitor will take a critical look at the finance department to determine the cause of the problems.

- BCAEO will conduct reviews when informed that an eligible entity has grant funds terminated for cause under a related program, such as Head Start, the Low Income Home Energy Assistance Program (LIHEAP), the Weatherization Assistance Program, or other Federal programs. BCAEO will include questions in routine monitoring visits and contacts about whether an eligible entity has had grant funds terminated for cause in any Federal, State, or local programs other than CSBG. BCAEO will review the cause of termination for other Federal programs to assure that comparable issues do not exist for CSBG funds.
- Examination of the eligible entity’s written policies and procedures for financial management, procurement, accounting records for each contract, equipment, inventories, property and maintenance schedules, and current award balances and expenditures to review internal controls.
- BCAEO will thoroughly investigate any instances of “whistleblower” complaints or allegations of fraud or abuse of CSBG funds or funds from closely-related programs. In any instances in which complaints or allegations of fraud are considered credible and raise significant “red flags,” state and federal authorities will be informed of findings and may assist with additional compliance review or referral to appropriate investigative authorities.
- BCAEO monitors will conduct an agency-wide financial assessment using the CAA’s audit and additional independent assessments of fiscal operations and procedures employed by the agency.
- Each community action agency is audited by an independent auditor according to the OMB Uniform Guidance standards. The OMB audit furnishes information that can help BCAEO monitors assess the overall financial condition of the CAA. Each audit report will be reviewed in the context of an agency’s prior two years’ audits. Review of audits over time can provide a view of the agency’s ongoing fiscal condition and enable BCAEO monitors to note any trends in an agency’s financial status (i.e., Are the agency’s assets growing or decreasing? Is the agency losing sources of funding each year?). BCAEO monitors will also receive and review written copies of all management letters sent by an audit firm to a

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 13 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

CAA to note any fiscal or management issues that need to be addressed. In reviewing the management letters, monitors need to follow up with the agency to determine if the issues identified in the management letter are being addressed.

- An audit firm should conduct an exit conference with the board of directors or assigned board committee and should ensure that the board of directors receives any and all management letters. BCAEO monitors will confirm whether or not the agency actively involves the board of directors in this key fiscal process. A fundamental component of an OMB audit is that it be performed by an “independent audit firm.” BCAEO monitors will determine whether or not a particular audit firm has been used by an agency for many years without putting the audit contract out for bids. The existence of a long term relationship with a particular CAA can call into question the independent status of a particular firm.

MONITORING DOCUMENTATION AND REPORTING

Field Notes:

1. BCAEO monitors must use the proper tool for the type of monitoring being conducted. Each tool must be completed and turned in with the monitoring report prior to sending it to the agency.
2. BCAEO monitors must submit all support documentation collected to complete the monitoring review. Support documentation includes emails, reports, prior monitoring reports, and other items collected.
3. BCAEO monitor must provide support documentation, copies of state, federal, and CSPM citations, and justification for a finding identified in the report as an attachment to the field notes. Note: Each finding should be clearly labeled with the support documentation attached. Also see close out of a finding, on page 16.
4. BCAEO monitor must collect and submit with field notes any email instructions, recommendations, and approvals/denials given to the agency as part of the monitoring.
5. Field notes must be sent electronically or in paper form to the DHS-BCAEO email address to be included as attachments for monitoring report approval.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 14 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

6. Field notes are needed for all reviews including single audit finding reviews, TAP support document reviews, QIP reviews, and regular monitoring reviews.

Monitoring Reports Components:

1. Monitoring report must have a report memo addressed to the Executive Director and a copy to the Board Chair, Grant Manager, Financial Monitors, and Programmatic Monitors. BCAEO Executive Director will sign the memo upon review and approval of the report. The report memo must contain.
 - a. Monitoring Visit ID#(MVID) listed
 - b. Monitoring report name
 - c. Agency's Name
 - d. Date of Monitoring (Start and End date as necessary)
 - e. Findings including the date for a response
 - f. Amount of disallowed costs
 - g. Instructions for disallowed cost pay back

2. Monitoring report must have a cover sheet summarizing the visit. The cover sheet must contain.
 - a. Type of Monitoring
 - b. Dates of Monitoring (Start and End)
 - c. Monitors Name
 - d. Agency Contact Person's Name
 - e. Agency's Address
 - f. Status of the agency based on the risk assessment
 - g. Contract Series Reviewed
 - h. Number of Administrative Recommendations
 - i. Number of Findings
 - j. Date of next monitoring

3. Body of the report must contain at least the following:
 - a. Entrance Conference description: date and name of attendees
 - b. Purpose of the visit
 - c. Prior Findings Section

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 15 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

- d. Listing of Observations, Administrative Recommendations, and Findings: Each items must include the following appropriate categories
1. Number the findings and administrative recommendations in a sequence
 2. Title
 3. Description
 4. Citation
 5. Recommendation – if appropriate indicate the following
 - I. **Corrective Action Plan (CAP)**
Use Corrective Action Plan language for minor findings that can be corrected onsite or within 30 days.
 - II. **Technical Assistance Plan (TAP)**
Use Technical Assistance Plan language for findings that require closer monitoring, more than 30 days (even up to 12 months) to correct the deficiency, and/or training assistance.
 - III. **Quality Improvement Plan (QIP)**
Use Quality Improvement Plan language when agency could not make corrections using a TAP or if the finding is a serious deficiency. QIPS could last as long as 6 months. Use IM 116 timelines to develop and implement a QIP request.
 6. Disallowed cost/Questioned cost total
 - I. Must include a break down by contract number, fiscal year, and line item.
- e. Training and Technical Assistance provided. Include the following:
1. Describe the training and technical assistance provided
 2. Dates of training and technical assistance
 3. Attendees of training
 4. Recommendations of next training and technical assistance needed, if appropriate
- f. Exit Conference description: date and name of attendees

Submit to the BCAEO Executive Director with field notes for approval within 30 days of the exit conference. Make sure all

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 16 of 21 |
| Bureau of Community Action and Economic Opportunity Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

support and justification for findings is included as attachments. Report extensions and justification must be sent to the BCAEO Executive Director within 30 days of the exit conference for approval. Extensions past 60 days of the exit conference will not be approved.

Management Decision Letter:

1. Management Decision letter must be addressed to the Executive Director and a copy to the Board Chair, Grant Manager, Financial Monitors, and Programmatic Monitors. BCAEO Executive Director will sign the letter upon review and approval of the letter. The cover letter must contain.
 - a. MVID listed
 - b. Single Audit name and date
 - c. Agency's Name
 - d. Repeat the Findings listed in the audit including all the categories
 - e. Repeat the Agency's response
 - f. Add the MDHHS's response based on the review completed. The finding must end with a statement indicating the finding has been resolved or it has not been resolved. For findings that have not been resolved, please include a recommendation, date of recommendation, and the date the response is due back to BCAEO.

Submit to the BCAEO Executive Director with field notes used to review the finding(s) for approval by the due date. Make sure all support and justification for findings are included as attachments.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 17 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

Close Findings (Close-out) Procedure:

The following close out activities must be completed prior to closing a finding:

1. BCAEO monitor will document the finding clearly with all support documentation including the samples pulled, email correspondences, memo, letters, and notes of verbal conversations (attendees, date, and other relevant information). The finding notes should be labeled and match the same numbering in your monitoring report. Example: Monitoring report finding 1 should have a corresponding addendum labeled finding 1.
2. BCAEO monitors may be required to make follow-up visits to thoroughly examine the finding. Additional documentation may need to be collected.
3. Each finding must contain a summary of events and a timeline of the process.
4. Every finding must contain the appropriate federal, state, or local citation.
5. Disallowed costs and questioned costs must be broken out by contract number and fiscal year.
6. Any negotiations to assist in evaluating the findings must be documented.
7. BCAEO monitor must communicate the nature of each finding to the agency. This can be done at the exit conference, phone conversation, email exchanges, prior to the report being issued.
8. BCAEO monitors will work to assist the agency in making corrections quickly for all findings found. When possible, try to resolve findings during the monitoring visit.
9. BCAEO monitor will summarize the finding in the monitoring report. Instructions on corrective action and next steps must be provided with a due date. Typically the due date is within 30 days but it may be longer or shorter depending on the finding.
10. Once the monitoring report is issued, it is the agencies responsibility to respond to all findings as instructed. Upon receipt of an agency response, the BCAEO monitor will review the material to determine if the finding is resolved. A management decision is sent to the agency within 30 days of the receipt of the agency's response. The management decision letter will clearly identify resolved and unresolved findings. Once all the findings are resolved in a monitoring review, BCAEO will send the agency a close-out letter.
11. Agencies will receive a customer satisfaction survey to evaluate the monitoring review.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 18 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

GUIDING PRINCIPLES

Mutual Respect

In working with grantee boards, staff, and consultants, BCAEO values and recognizes the unique knowledge, ability, and independence of each person. BCAEO is committed to treating all persons fairly and maintaining credibility by matching actions with words.

Open Communication

Effective communication is key in facilitating good working relationships with partners, and BCAEO is committed to keeping lines of communication open. The purpose of communication is to assist in developing solutions to problems, to share program improvement ideas, and provide information on new developments in the anti-poverty field. BCAEO communicates frequently through a variety of tools and media. BCAEO is open to contact and is committed to listening to suggestions/concerns and to gaining an understanding of local operations and to assist CAAs in pursuing priorities.

Joint Problem Solving

BCAEO operates under the basic belief that a team approach to problem solving is in the best interest of all parties involved. BCAEO sincerely believes that collectively BCAEO and the agency can arrive at the best solution to any situation. Through a team approach to problem solving, BCAEO believes the team will come up with the best strategies for program development, conflict resolution, or compliance issues. BCAEO wants to promote an environment in which BCAEO and all Community Action partners will be open to change and can work together in exploring options and developing mutually agreeable solutions. The goal is to have agencies function independently with BCAEO support in an effort to meet the needs of local communities within the parameters set by legislation.

Responsibilities

As a steward of federal and state funds, BCAEO and eligible entities have a duty to be accountable for the timely receipt of financial and programmatic reports; to proactively address problems that impede the effective implementation of programs; and to institute effective internal controls to improve compliance.

Monitoring and technical assistance are conducted in a professional manner with consistency, clarity, respect, timeliness, and two-way communication. Every monitoring visit is a learning experience for BCAEO staff and the agency.

| | |
|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 19 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

MONITORING PRACTICES

BCAEO will assess the health of the entire agency, not just program-by-program compliance. Assessments include general oversight, desk reviews, and on-site reviews of the following: community action plan and/or contract, organizational standards, needs assessments, service delivery systems, administration and management systems, board and governance systems, and financial systems.

Practice 1 – BCAEO monitors will look at more than compliance with program rules and regulations.

In assessing the health of an agency, BCAEO cannot look solely at compliance with particular program standards. Individual agencies may have expertise in particular programs or services and may excel in any ‘snapshot’ view of the agency. However, the same agencies may be having difficulty in operating other programs, or may be delivering sub-standard services throughout the rest of the organization. BCAEO monitors need to take a systems view of each CAA, and note the quality of service delivery, organizational standards, and program operations throughout the agency.

The overall health of a community action agency encompasses more than just a technical compliance with specific program mandates. In order for a CAA to be truly ‘healthy,’ it must be continually striving to find better ways to use programmatic resources to help people move out of poverty. Programs operated by a CAA must contribute to the agency’s overall mission, and each program must achieve measurable outcomes that help to change the lives of low-income people. The extent to which a CAA sets performance goals within the ROMA framework, systematically collects and analyzes data on performance measures, and adjusts its short and long range plans based on that analysis constitutes significant evidence of a CAA’s commitment to making a difference for the families it serves and the communities in which it works.

Practice 2 – BCAEO monitors will assess the effectiveness of the Board of Directors.

An effective board is critical to the overall health of an agency. When only a few board members regularly attend meetings, their agency is not being led by a fully engaged group of community members. The tri-partite structure of private non-profit and public community action board of directors ensures that voices from ALL segments of the community have the opportunity to participate in shaping the direction of the CAA.

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|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 20 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

Without full participation, the CAA lacks valuable points of view in its decision-making process.

A board that does not clearly understand the mission of the agency cannot offer the kind of community-based leadership that is critical to the health of a CAA. A board that is not evaluating agency programs and operations fails to ensure agency resources are being used most effectively to produce the outcomes necessary to fight poverty within the community. A board that is not comfortable in honestly evaluating the executive director is not ensuring that the agency has effective leadership. A board that does not regularly review its own by-laws places the agency at risk of failing to operate within legal guidelines. A board that does not comprehend the financial status of the organization places the agency (and themselves) at risk.

Practice 3 – BCAEO monitors will assess administrative and leadership capacity of agency management as it relates to meeting the Board of Director’s goals.

An effective CAA is flexible and responsive to the needs of individuals and the community it serves, as well as committed to its employees. Communication is evident and widespread in an effective CAA – staff knowing what is going on in the organization, what new initiatives are in place, and what new directions are being explored. They know the mission of the agency and their role in making the mission a reality. Work is distributed throughout the organization, with management support for the staff who do the day-to-day work of meeting the needs of low-income people. Monitors need to be able to assess the degree to which the management of a CAA is leading the organization towards more effective and responsive service delivery showing and demonstrating continuous improvement and community impact.

Practice 4 - Monitoring Community Action Agencies is part of a process to strengthen CAAs and the entire Community Action Network.

In order for BCAEO to assess the health of Community Action Agencies, BCAEO will adopt a systems approach to monitoring. Practices outlined above provide a framework for implementing a systems approach, and a framework for looking at a CAA as an entire system. The monitoring process will serve several purposes. The first is to provide the CAA with feedback about its organizational health, going beyond compliance to include an assessment of the agency’s ability to change lives. Feedback from monitoring will help an agency gauge its effectiveness in fulfilling its mission.

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|---|------------------------|
| MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES | Page 21 of 21 |
| Bureau of Community Action and Economic Opportunity | |
| Monitoring Procedures Guide | EFFECTIVE DATE 10.1.17 |

Secondly, the monitoring process will assist CAA leaders in making changes that will improve their organizations. Monitoring will provide CAAs with both an ‘early warning system,’ and a best practices ‘catalog.’ By highlighting organizational systems that are under-performing or showing signs of stress, an agency-wide monitoring can help CAA managers take proactive steps to strengthen their organizations, before problems or crises arise.

A third purpose is to provide BCAEO with data to assess the statewide CAA network. BCAEO will identify recurring themes or trends across multiple agencies, and can respond on a statewide basis, rather than only on an agency-by-agency basis. For example, if the number of people moving on to self-sufficiency is declining state-wide, it would serve as a “red flag” to the state. Why are fewer people achieving success? Are there pockets in the state where this is more prevalent? Another example might be that there are a number of new CEO’s throughout the state, leading the state to provide a series of trainings to enhance the effectiveness of these individuals and strengthen financial systems throughout the state.

Practice 5 – BCAEO monitoring reporting process will document and inform the agency of findings and/or deficiencies.

Upon completion of a monitoring review the monitor will conduct an exit interview with agency staff and/or Board leadership. During the exit interview strengths as well as areas in need of improvement, findings, and/or deficiencies will be discussed. Agencies will receive a written report 60 days after the exit interview which will officially inform an agency of its status. For monitoring reviews that require additional time to complete, a written report will contain feedback on the items reviewed to date.

Practice 6 – BCAEO will announce an annual training and technical assistance (T&TA) plan in the CSBG State Plan. BCAEO will provide technical assistance or refer agency for training and technical assistance when necessary.

Training and technical assistance recommendations will be listed in the monitoring reports and/or in other correspondences. BCAEO will work collaboratively with the agency and the State Association to ensure the agency receives appropriate T&TA. This assistance may be provided by BCAEO directly, through MCA, a peer CAA, a local or national TA provider, and/or any other mechanism which is deemed appropriate. The T&TA tracking system in FACsPro will allow the agency and BCAEO to identify T&TA activities that positively impacted the network.