

# Monitoring the State's Providers

2013 New State Directors Workshop  
Arlington, VA  
November 2013

# Monitoring: Performance (1)



## Requirements

- **AEFLA 224(b)(3)** – State Plans – The State must include a description of how the eligible agency will **evaluate annually the effectiveness** of the adult education and literacy activities.
- **OVAE Reports** – Annual Narrative Report -- Describe any significant findings from the eligible agency's evaluation of the effectiveness of the adult education and literacy activities based on the core indicators of performance.

# Monitoring: Performance (2)



## Types of Performance Monitoring

- **Desk Monitoring**
  - **Resources: AIR Desk Monitoring training on-line**  
<http://www.nrsweb.org/trainings/events/DeskMonitoringTraining2007.aspx>
  
- **On-Site Monitoring**
  - **Resources:**
    - ED Subrecipient Monitoring Webinar and Resources (<http://www2.ed.gov/policy/gen/leg/recovery/web-conferences.html>)
    - DAEL Local Monitoring Instrument

# Monitoring: Compliance (1)



## Key State Responsibilities in Regulation

- **EDGAR Sec. 76.770** - Each State shall have procedures for reviewing and approving applications and amendments for subgrants, providing technical assistance, evaluating projects, and performing other administrative responsibilities that are necessary to **ensure compliance with applicable statutes and regulations.**

# Monitoring: Compliance (2)



## Key State Responsibilities in Regulation

- **Sec. 76.722** – Subgrantees must make reports required by the State.
- **Sec. 80.40** – Requires monitoring and reporting program performance by the State
- **OMB Circular A-133** – States are required to monitor a subgrantee's use of Federal awards through site visits, limited scope audits, or other means.

# Monitoring: Compliance (3)



## Relevant “Local Compliance” Links in AEFLA

- **Local Provisions – Sec. 231-233**
  - Required local activities (defined as adult education and literacy services)
  - Local application (describing how funds will be used, any cooperative arrangements for delivery of services)
  - Local administrative cost limit
- **Definitions – Sec. 203**
  - Especially “adult education,” “adult education and literacy activities,” and “literacy”

# Monitoring: Compliance (4)

## Financial Management and Tracking

- Standards for financial management systems (EDGAR 80.20) and relationship to monitoring providers
  - ✓ Follow State financial management rules and regulations
  - ✓ Maintain records related to grant funds
  - ✓ Support accurate, current and complete financial reporting
  - ✓ Adhere to established internal controls
- How does State accomplish above responsibilities? Ensure accuracy of data through design of review system.
- <http://www.nrsweb.org/trainings/events/SmartFiscalManagement2011.aspx>

# Monitoring: Compliance (5)



## Enforcement and Termination Authority

- **EDGAR 80.43 and 44 - Terminating Grant Award to Local Providers** - The State can terminate the grant to subgrantees
  - Enforcement and termination for cause (section 80.43)
    - Failure to comply with the terms and conditions of an award
  - Termination for Convenience
    - By the consent of the subgrantee
    - By the subgrantee



# Monitoring Local Programs

*Table Exercise*

# Monitoring: System Design and Tools (1)

## *Review and Revise Your Monitoring Plan*

- What makes up a monitoring plan?
  - Written set of policies and procedures that guide monitoring activities, including follow up on corrective actions
  - Monitoring schedule
  - Monitoring checklist
  - Risk assessment, i.e., what factors determine the frequency of monitoring subrecipients and programs?

# Monitoring: System Design and Tools (2)

- **Revising Program Monitoring Checklists or Other Review Tools**
  - Review current laws and regulations to ensure checklists cover all applicable program requirements
  - Set forth requirements in plain language, cite to relevant law or regulation
  - Identify method of verification and required documentation
  - Identify cross-cutting monitoring requirements (e.g., cash management)

# Monitoring: System Design and Tools (3)

## *Risk Assessment: A-133 Factors*

- Programs
  - Program complexity
  - Award amount
- Subrecipients
  - New recipients
  - History of non-compliance
  - New personnel
  - New or substantially changed systems

# Monitoring: Audit Clearinghouse Resource

- Federal Audit Clearinghouse
- A-133 Audits of States, Local Governments, and Non-Profit Organizations
- <http://harvester.census.gov/fac/>

(Page 3 - #1 of 2) Primary EIN: 16-6001462

PART III FEDERAL PROGRAMS - Continued										
9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR									10. AUDIT FINDINGS	
Federal Agency Prefix <sup>1</sup>	Extension <sup>2</sup>	Research and development (c)	ARRA <sup>3</sup> (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program (h)		Type(s) of compliance requirement(s) <sup>5</sup>	Audit finding reference number(s) <sup>6</sup>
							Major program	If yes, type of audit report <sup>4</sup> (i)		
8 4	.215	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	FUND FOR THE IMPROVEMENT OF EDUCATION	\$ 187,628 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
8 4	.027	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	SPECIAL EDUCATION GRANTS TO STATES	\$ 417,154 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
8 4	.173	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	SPECIAL EDUCATION PRESCHOOL GRANTS	\$ 10,170 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
8 4	.351	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA - SPECIAL EDUCATION GRANTS TO STATES, RECOVERY ACT	\$ 712 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
8 4	.002	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	ADULT EDUCATION - BASIC GRANTS TO STATES	\$ 43,984 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
8 4	.010	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	\$ 206,206 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
8 4	.367	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	IMPROVING TEACHER QUALITY STATE GRANTS	\$ 66,133 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
8 4	.335	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA - STATE FISCAL STABILIZATION FUND (SFSF) - RACE-TO-THE-TOP INCENTIVE	\$ 14,212 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
8 4	.410	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA-EDUCATION JOBS FUND	\$ 780,460 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	U	O	N/A
1 0	.553	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	SCHOOL BREAKFAST PROGRAM	\$ 44,830 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
<b>TOTAL FEDERAL AWARDS EXPENDED</b>					\$ 1,975,539 .00					

<sup>1</sup> See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.  
<sup>2</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See instructions)  
<sup>3</sup> American Recovery and Reinvestment Act of 2009 (ARRA).  
<sup>4</sup> If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.  
<sup>5</sup> Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 550(a)(1) reported for each Federal program.  
A. Activities allowed or unallowed E. Eligibility L. Procurement and suspension and debarment  
B. Allowable costs/cost principles F. Equipment and real property management M. Subrecipient monitoring  
C. Cash management G. Matching, level of effort, earmarking N. Special tests and provisions  
D. Davis - Bacon Act H. Period of availability of Federal funds K. Real property acquisition and relocation assistance O. None  
P. Other  
<sup>6</sup> N/A for NONE

# Smart Fiscal Management

- <http://www.nrsweb.org/trainings/events/SmartFiscalManagement2011.aspx>