



OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

CONTRACT OVERSIGHT REVIEW (2012-R-0001)

ISSUE DATE: SEPTEMBER 25, 2012

Sheryl G. Steckler
Inspector General

"Enhancing Public Trust in Government"

Financially Assisted Agencies Monitoring Program

EXECUTIVE SUMMARY

Office of Inspector General (OIG) staff conducted a Contract Oversight Review of the Palm Beach County Department of Community Services (CS) Financially Assisted Agencies contract monitoring program. As a result of this review the following eight (8) findings were identified:

- Outdated Departmental Policy and Procedure and limited in scope
- No documentation of factors used in development of the monitoring plan
- Monitoring tool was not consistently used
- No documented procedure for corrective action plans
- No documented procedure related to contract disputes
- No documented procedure related to staff training
- Procedure for contract file format and document storage is limited in scope
- No documented procedure for contract close out activities

The OIG recommendations include the development of a comprehensive monitoring policy and operating procedures addressing the findings identified in this report. It is noted that CS initiated the process of updating Financially Assisted Agencies (FAA) contract monitoring policy and procedures during the course of this review.

BACKGROUND

The FAA program is Palm Beach County's principal method for funding social services programs pursuant to the Health and Human Services Element of the Palm Beach County 1989 *Comprehensive Plan (Revised 11/28/2005)*.

As specified in the *Comprehensive Plan*, the purpose of the Health & Human Services Element (Element) is to assist in the development of an infrastructure to ensure availability of health and human services sufficient to protect the health, safety and welfare of Palm Beach County (PBC) residents. Furthermore the Element identifies PBC's role in funding, providing, and/or supporting the delivery of health and human services; it also defines PBC's relationship with other funders and providers of services

in order to maximize the resources and benefits available to residents. The following nine (9) Service Categories are funded through the FAA program:

- Domestic Abuse / Sheltering
- Economic Stability / Poverty
- Homelessness
- Mental Health
- New and/or Continuing Initiatives and Innovative Programs
- Senior Services
- Special Needs /Developmental Disabilities
- Substance Abuse
- Youth Violence / Diversion

In fiscal year 2011, PBC Board of County Commissioners appropriated \$13,638,671 to the FAA program wherein services were procured from community based organizations through contracts with PBC. PBC's Department of Community Services has oversight and authority in developing and monitoring FAA contracts.

Section 305.07 of the Palm Beach County Administrative Code, revised 4/5/2011, titled "Payments to Financially Assisted Agencies", states: "The County Administrator shall establish additional procedures to clearly describe the application, prioritization, approval, contracting, payment, audit and monitoring requirements."

Further, Section 307.00 titled "Contracts" states: "The County Administrator shall establish policies and procedures for the development, review, and administration of contracts. Such policies and procedures shall fix accountability for insuring compliance with contract terms."

Countywide Policy and Procedure Memorandum CW-F-049 titled "Contract Development and Contract Responsibility", states: "The head of the department or division requesting the goods or services covered by the contract shall assume primary responsibility for contract development. He or she shall assign a **Contract Monitor (Bold added)** who shall be responsible for authorizing payments, for ensuring compliance with the terms of the contract, and for follow up in cases of non-compliance."

SCOPE OF REVIEW

OIG staff reviewed policies and procedures, FAA contracts, reimbursement requests, contract monitoring reports, program outcome reports and held discussions with CS staff. OIG staff selected a sample size of eight (8) contracts in its review. The total dollar value of the contracts reviewed was \$3,343,857, which represented approximately 25% of the total FAA funding for fiscal year 2011.

The reviewed contracts represented eight (8) of the nine (9) ¹ FAA service categories, and ranged in dollar values from a low of \$22,436 to a high of \$1,680,545.

GOVERNING DIRECTIVES

Palm Beach County 1989 Comprehensive Plan (Revised 11/28/2005).

Section 305.07 of *Palm Beach County Administrative Code*, revised 4/5/2011.

Section 307.00 of *Palm Beach County Administrative Code*, revised 4/5/2011.

Countywide PPM CW-F-049, *Contract Development and Contract Responsibility*, issued and effective 4/25/2011.

Department of Community Services Policy and Procedures Memorandum CSO-110 *Financially Assisted Agencies - Department Monitoring* dated 5/1/1989.

Department of Community Services Policy and Procedures Memorandum CSO-115 *Financially Assisted Agencies – Record Maintenance* dated 6/30/1989.

ISSUES AND FINDINGS

ISSUE:

OIG staff observed the FAA Request for Proposal (RFP) selection process in May 2011, wherein it was noted in OIG report 2011-O-0002 that contract monitoring results of existing FAA contracts were not readily available to the selection committee members. As a result, the OIG has conducted a review of CS's FAA contract monitoring program.

The following eight (8) findings were identified as a result of this review and OIG recommendations are contained at the end of this report.

FINDING (1):

The CS Policy and Procedures Memorandum (PPM) titled *Financially Assisted Agencies – Departmental Monitoring* PPM CSO-110 has not been updated in 23 years, and does not address several key areas in its scope.

Policy

A policy serves as a guide to staff to ensure a consistent, effective and efficient contract monitoring process. A comprehensive policy provides direction across many subject areas such as staff roles and responsibilities, conflicts of interest, monitoring of contract performance, documentation of contract decisions, dispute resolution and managerial discretion. The guidance provided in a policy establishes the foundation for the detailed monitoring procedures for use by monitoring staff.

¹ This review did not include the "New and/or Continuing Initiatives and Innovative Programs" Service Category.

Procedures

Established documented procedures provide detailed, specific direction to agencies and personnel to ensure clarity, consistency and quality control in the monitoring program. Procedures specify the steps and tools used in the monitoring process and methods of communicating monitoring results. Procedures generally include, but are not limited to staff roles and responsibilities, contract correspondence, reports detailing monitoring efforts, documentation of contract administration actions and decisions, contract completion activities, guidance on handling disputes and professional development of staff. Also, procedures clarify for those in monitoring roles what is expected of them while conducting on-site visits/desk reviews and interacting with vendors. Simply stated, procedures detail what is to be done, by whom, when, and how it is to be accomplished and documented.

OIG Review:

Section II of PPM CSO-110 titled "Policy Statements" provides six (6) policy statements relating to FAA contract monitoring. Specifically, each FAA will receive at least one on-site monitoring and that sufficient monitoring personnel shall be hired. The policy also outlines activities for on-site monitoring and classifies FAA monitoring as a departmental audit. Lastly, the policy statement provides consequences for failure to submit timely reports and/or failure to comply with the terms, conditions and expectations of the contract.

Section II. of PPM CSO-110 titled "Policy Statements" is limited in scope in that it fails to provide guidance to staff in the areas of monitoring plan development and documentation, staff roles/responsibilities, conflicts of interest, dispute resolution, documentation of contract actions and managerial discretion.

Section III. of PPM CSO-110 titled "Procedure" is limited in scope in that it covers only the CS Assistant Director's responsibility, contract file reviews, and details the steps associated with conducting an on-site monitoring. Further, PPM CSO-110 conflicts with the existing FAA program and Community Services' organizational structure in that PPM CSO-110 specifies the CS Assistant Director shall oversee and coordinate the FAA monitoring program; however, no such position currently exists.

OIG staff was informed that the CS Manager - Planning & Evaluation is assigned responsibility for overseeing and coordinating the monitoring of the FAA's *program* elements. The CS Director of Financial & Support Services is assigned responsibility for coordinating the monitoring of the FAA's *fiscal* elements.

PPM CSO-110 also requires CS to develop procedures to delineate the activities of the monitors for the monitoring process. When the OIG staff requested a copy of these procedures, they were provided with *Procedures for On-Site Monitoring*, used by CS staff when monitoring the fiscal components of an FAA contract. OIG staff was informed there were no documented procedures specifically addressing program monitoring, to satisfy this requirement. However, CS staff did provide PPM CSO-115

titled, *Financially Assisted Agencies – Record Maintenance* which is discussed in finding number eight (8) of this report.

FINDING (2):

Community Services maintains no documentation of the factors considered and conclusions reached when developing the annual FAA monitoring schedule.

Monitoring Plan

A monitoring plan helps to ensure a contract is effectively monitored. The plan's level of complexity should be reflective of the contract and the risks associated with poor performance. A contract monitoring plan should identify and include the vendor's and agency's respective contractual obligations and how performance will be monitored. The purpose of the plan is to ensure minimal risk, receipt of deliverables, and quality of service. A thorough risk analysis considers factors such as: fraud potential, financial mismanagement or theft, public perception of agency and services, quality of service, monitoring reports, and vendor performance history. The plan will include, but not be limited to, elements such as: scope of the contract monitoring, staff assigned for monitoring, date(s) of review, and tool(s) for use in the monitoring. Moreover, an effective plan will identify, but not be limited to; deliverables, milestones, due dates, methods of monitoring and review of invoices paid.²

OIG Review:

CS staff advised an annual monitoring schedule is jointly developed by the FAA program and fiscal monitors to ensure all FAA contracts are monitored on-site or receive a desk review.³ The monitoring schedule covers both program and fiscal monitoring which are scheduled to occur simultaneously for each FAA contract being monitored. The final schedule is provided to both the Program Planning & Evaluation Manager and the Director of Financial & Support Services. The CS's two program monitors and three fiscal monitors assigned to the FAA program schedule their activities to comply with the final monitoring schedule. CS staff informed OIG staff that when developing the monitoring schedule and activities, contracts with findings from the previous year were given a higher priority, followed by contracts where no on-site monitoring occurred the previous year, and lastly contracts with no issues or findings in the previous year. Also, CS staff considered monitoring reports by other funders of the provider/program/service, as well as the monitor's familiarity and experience in managing the contracts. There was no documentation to support the priority determination of the 2011 monitoring schedule.

OIG staff verified a monitoring schedule for fiscal year 2011 (Attachment A) had been developed by the program and fiscal monitors prior to the start of the second quarter of the fiscal year. The schedule identified the date each agency was to be monitored, the monitoring report due date, the monitor(s) responsible for conducting the review, report

² Hinton, Russell W. Components of an Effective Contract Monitoring System, State of Georgia, Department of Audits and Accounts July 2003. Page 17

³ An in office review of available contract related documents, reports and financial information.

sent date and an assigned rating. Each scheduled monitoring was assigned one of two ratings. A rating of “1” indicated the contract required an on-site fiscal review whereas a “2” indicated onsite fiscal monitoring was not required. Contracts rated “2” were to receive a desk review. According to CS fiscal staff, a number of factors were considered to determine the need for a fiscal on-site monitoring versus a desk monitoring. The factors included: status of Nonprofits First, Inc.⁴ certification, previous year’s monitoring results, and monitoring results of other governmental agencies/departments.

CS staff had no documentation available to support the rating process used to make the determination of need for on-site monitoring versus a less thorough desk review. A documented basis for prioritizing fiscal monitoring, such as a risk analysis, does not exist. Further, although the monitoring schedule identified the agency to be monitored, it did not indicate whether or not all service programs within each contract were to be monitored. CS monitors were not aware of established criteria on which the decision was made to monitor or exclude a particular service program(s) or contract. Furthermore, there did not appear to be a procedure or monitoring requirement covering situations involving amendment(s) to FAA contracts that increased or decreased services and would require a modification to the “1” or “2” assessment and monitoring schedule.

FINDING (3):

The FAA monitoring tool is not consistently used.

Monitoring Evaluation Tool

The use of a standardized and comprehensive guide provides consistency among monitors (program and fiscal) throughout the monitoring process. “On-site monitoring visits are most effective when monitors base their on-site activities on a specific methodology, guide, or checklist of monitoring tasks.”⁵ Structured monitoring helps to ensure the most relevant and useful information is obtained to assess a vendor’s performance relating to the contract terms. Moreover, it aids in the development of a well written report detailing the monitor’s findings.

OIG Review:

OIG staff was informed that CS program monitors plan and conduct their monitoring in accordance with an FAA Monitoring Evaluation Tool (Attachment B) (hereinafter referred to as the “Guide”). According to CS staff, the Guide was, and has been, used by the monitors for a number of years. CS staff further advised the Guide is modified, as needed, to keep up to date with the needs of programs. A separate guide,

⁴ Nonprofits First is a 501(c) (3) organization established by a coalition of public and private funders to strengthen the administrative and operational capacity of nonprofit organizations in Palm Beach County. All organizations participating in the FAA program are contractually required to obtain Nonprofits First Certification.

⁵ Hinton, Russell W. Components of an Effective Contract Monitoring System, State of Georgia, Department of Audits and Accounts July 2003. Page 21

Procedures for On-Site Monitoring (Attachment C), is used by the FAA fiscal monitors to conduct their monitoring.

The Guide identifies factors/areas the monitor is to assess and evaluate during the monitoring process. Some of the areas are: "Human Resource Management", "Program/Service Delivery"; and "Evaluation & Outcomes". Within each of the ten (10) sections of the Guide, various elements are highlighted and acceptable thresholds and variances are specified to assist the monitor in analyzing each agency's performance. The Guide also specifies documentation of a source(s) of reference for each item reviewed.

The OIG's review of eight (8) contract files revealed that the Guide was not included in five (5) (62%) of the contract files. When questioned, CS monitors indicated they were not required to complete the Guide for inclusion in the file, but were required to, at a minimum, use the Guide to ensure all pertinent elements were reviewed. In files where no Guide existed, the monitor made notes indicating their analysis of the factors referenced in the Guide. Unlike reports developed pursuant to the Guide, where monitoring results were presented in an orderly and uniform fashion, the presentation of monitoring results in files wherein the Guide was not used was inconsistent and not uniform.

FAA contract terms require agencies to report program specific outcomes via CS's FAA Website. OIG staff verified, for the contracts reviewed, the required information had been reported on the FAA website. Program monitors confirmed that they were responsible for verifying compliance with this contract requirement: however, there was no indication of a uniform or acceptable method of evaluating the validity and reliability of the self-reported information.

Finding (4):

No documented procedures exist for the development and use of corrective action plans in the FAA contract monitoring program.

Corrective Action Plans

A Corrective Action Plan is a document used to identify the actions and their associated timeframes, to correct contract compliance issues. A standardized process should include, but not be limited to, when to initiate a Corrective Action Plan, tracking completion of activities, communicating progress/completion, and steps to be taken when activities are not completed.⁶

⁶ Colorado Department of Public Health and Environment. Guide to Best Practices in Contract Management. June 2010. Page 13

OIG Review:

CS program monitors disclosed to OIG staff that there was no documented procedure regarding the development of Corrective Action Plans and follow-up thereof. However, both program monitors conveyed they knew when:

- Corrective action plans were required;
- How to develop them;
- How and when to record them in contract files;
- How they are to be reported to the appropriate staff; and
- The process of following up on them

Of the eight (8) sample files reviewed, six (6) files contained identified findings resulting in a need for corrective action plans. Follow up and verification of Corrective Action Plans were included in 83% or five (5) of the six (6) files.

A well documented and agreed upon Corrective Action Plan holds all parties responsible and accountable; thus reducing the risks of contract disputes and/or termination of services.

FINDING (5):

No documented procedures regarding the steps and process to follow for noncompliance or failure to meet the terms and conditions provided in the FAA contract agreements exist.

Dispute Resolution

Contract disputes can be minimized by well written contracts containing clear and concise terms and conditions; however, minor disagreements can, and do, occur regardless of how well they have been written. A procedure should outline the process for written vendor notification and a timetable for resolution, to provide the steps for the monitor and agency to know and follow. In those instances when a dispute cannot be resolved between the monitor and the vendor, a well documented procedure outlining the steps necessary to elevate the dispute to an appropriate authority will help ensure a timely resolution.

OIG Review:

CS staff advised there are no documented procedures regarding contract dispute resolution.

FINDING (6):

No written procedures pertaining to FAA contract monitor training exist.

Training and Staffing

Staff responsible for contract monitoring should be appropriately trained. Monitors should have an understanding of the contract development process, specific contracts

to be monitored and the terms included therein. An effective procedure will detail the specific duties and expectations of the monitor and the timeframe for meeting the expectations. Having staff trained in contract monitoring will help ensure contracts are monitored effectively and that reports are accurate, relevant and valid. Topics which may be included in such training are:

- Components of an effective contract monitoring system;
- Rules and regulations related to procurement;
- State and federal requirements; and
- Standard contract clauses

OIG Review:

CS staff indicated that there is no formalized training program for monitors, rather informal on the job training exists in which more experienced monitors train and assist less experienced monitors.

Two program monitors are assigned the program monitoring responsibility and three financial analysts are assigned fiscal monitoring responsibility for FAA contracts in fiscal year 2011.⁷ The program monitors are supervised by the CS Manager – Planning & Evaluation and the financial analysts are supervised by the Director of Financial & Support Services. Despite not having formal training, the monitors were experienced in contract monitoring. The two program monitors have a combination of fifteen (15) years experience; twelve (12) years and three (3) years, respectively. The financial analysts have a combination of twelve (12) years financial analyst experience; two (2) years, five (5) years and five (5) years, respectively. However, no system should rely solely on experienced staff. A well documented training process will help ensure continuity of service and a reduced learning curve for new staff when turnover does occur.

FINDING (7):

The CS Policy and Procedures Memorandum titled *Financially Assisted Agencies – Record Maintenance* CSO-115 has not been updated in 23 years and its scope does not include several key elements.

Contract Documents and Files

An established standard format for maintaining and storing contract files will ensure uniformity among files. Files and documents should be well organized and provide a chronology of contract activity. A file/document checklist attached to each contract file identifies the status and contents of the file. A prescribed format and checklist provides others, specifically the monitor's supervisor and manager, unfamiliar with the contract specifics, with an overview of contract actions and history. Specifics relating to retention schedules, electronic documents/reports and supporting documentation should be outlined in procedures pertaining to contract documents and files.

⁷ CS has specified that although FY 2011 staffing included 5 employees, only 1.75 FTE program monitors and 0.15 FTE fiscal monitors were dedicated to the FAA monitoring program.

Policy

Section II. of PPM CSC-115 titled, "Policy Statements" provides that CS maintain two types of FAA contract files for each fiscal year, a *program* file and a *fiscal* file. Further it is provided that all files are to be used, maintained and disposed in accordance with *Palm Beach County Records Management Manual*, PPM #CW-R-001 and approved retention schedules.

Procedure

Section III. of PPM CSO-115 titled, "Procedures" specifies that the CS program monitoring unit staff is responsible for maintaining the program files he/she monitors. The procedure lists the required documentation for inclusion in the program files which includes: contract, application, announcement of monitoring visit, annual monitoring report, certificate of insurance, utilization reports, annual audit and all correspondence. Moreover, the procedure distinguishes the program file contents for Alcohol, Drug Abuse and Mental Health (ADAMH) FAA contracts. Further, the procedure provides that the CS Clerical Specialist is responsible for maintaining the fiscal file and lists the content requirements for these files as: reimbursement requests, signed contracts, budget transfers, all fiscally related correspondence, and stipulates additional requirements for ADAMH contracts. Lastly, the "Custodian" for the program files is the Senior Program Monitor.

OIG Review:

FAA contracts are physically maintained at CS, 810 Datura Street in downtown West Palm Beach. Two types of contract files are maintained by CS for each FAA contract, a program file and fiscal file. The eight (8) program contract files reviewed each contained a copy of the contract, correspondence and monitoring reports, and where applicable, contract amendment(s) and corrective action plan(s). The eight (8) fiscal contract files reviewed each contained invoices, payment processing detail and supporting documentation. The physical design of each file reviewed was generally consistent and orderly whereby each component within the file was easily located.

CS staff advised that current year program and fiscal files are located in the assigned monitor's office. The most immediate past year program and fiscal files are located outside of the assigned monitor's office. CS staff advised that program and fiscal files expired beyond one year are moved to storage using the records storage vendor, which is the responsibility of the CS staff designated as the Records Custodian.

PPM CSO-115 does not describe a standard contract file design; the use of a checklist or other cover/tracking document to record the timely receipt of necessary contract documents; or, a master checklist to indicate file contents, date of compliance/filing and outstanding documentation.

FINDING (8):

No documented procedures on the FAA contract close out process exist.

Contract Close Out

A documented procedure ensures important administrative, (reports filed, deliverable received, invoices paid, etc.) contractual and program elements are not overlooked when closing out contracts. The use of a checklist helps to assure all contract actions have been completed and all required items have been returned.

OIG Review:

Program monitors were not aware of any uniform contract close out procedure; however, they generally adhered to a commonly understood contract close out process wherein final payments were contingent upon final reporting metrics pursuant to the contract. However, no system should rely solely on a commonly understood process.

RECOMMENDATIONS

1. Develop an FAA contract monitoring policy that meets the organizational strategies of the CS and establishes the direction and guidance for a comprehensive monitoring program.
2. Develop FAA contract monitoring procedures specifying the processes and steps required to effectively monitor FAA contracts. Monitoring procedures should address, but not be limited to the following:

(a) Development of a Contract Monitoring Plan

An effective plan will identify, but not be limited to the following; an analysis of risk factors, scope of review, staff assigned, date(s) of review, schedule, tools/guides, type of monitoring, procedures and processes for conducting monitoring, corrective action plans and documentation of results.

(b) Use of a Standardized Monitoring Guide

The consistent use of a standardized and comprehensive guide provides consistency throughout the monitoring process.

(c) Corrective Action Plans

A clearly defined procedure will detail when corrective action plans are required; how they are to be developed; how and where to record them in contract files; how they are to be reported to the appropriate staff; and the process of following up on them.

(d) Resolution of Vendor Dispute

A clearly defined procedure(s) that outlines steps taken to resolve vendor disputes in a timely manner will help to minimize the risk that the program being monitored will fall short of its goals and objectives.

(e) Monitoring Staff Training and Qualifications

The reliability and validity of the monitoring results is contingent upon appropriately trained monitors who also meet the qualifications for knowledge, skills and ability.

(f) Access and Storage of Contract Documents and Files

A standard file format developed and implemented for the layout of contract documents, correspondence, monitoring reports, outcome reports and checklists provides uniformity in contract files and ease of review by management.

(g) Closing Out Contracts

Formal written procedures ensure important administrative, contractual and program elements are not overlooked when closing out contracts.

3. Implement contract monitoring based on revised policy and procedures for fiscal year 2013 FAA contracts and perform quality control measures across fiscal year 2011 and 2012 FAA contracts to identify and rectify any irregularities.

RESPONSE FROM MANAGEMENT

On September 20, 2012, Channell Wilkins, CS Director, submitted a response to the OIG's findings (Attachment D).

OIG COMMENTS

During the course of this review, CS initiated the process of updating policies and procedures for the FAA contract monitoring program.

ACKNOWLEDGEMENT

The OIG Contract Oversight staff would like to extend our appreciation to the Community Services' management and staff for the cooperation and courtesy extended to us during this review.

Attachment A

Monitoring Schedule FY 2010-2011						
Monitoring Date	Agency	Report Due Date	Program Monitor	Fiscal Monitor	Rating	Report Sent Date
1/13/2011	Alzheimer's C.C.	2/10/2011	Sharon	Jennifer	1	
1/19/2011	Sickle Cell	2/16/2011	Sharon	Terry	1	
1/27/2011	DATA	2/24/2011	Sharon	Jennifer	1	
2/17/2011	Intercultural Family Health	3/17/2011	Sharon	Gwen	1	
3/2/2011	The Haven	3/30/2011	Roger	Gwen	1	
3/8/2011	Big Brothers/Big Sisters	3/30/2011	Sharon	Terry	1	
3/9/2011	Seagull Industries	4/6/2011	Roger	Jennifer	2	
3/16/2011	Rehabilitation Center	4/13/2011	Roger	Gwen	2	
3/22/2011	Elizabeth Faulk Center	4/20/2011	Roger	Terry	1	
3/29/2011	C.I.L.O	4/22/2011	Sharon	Jennifer	1	
3/30/2011	Jeff Industries	4/27/2011	Roger	Jennifer	2	
4/4/2011	City of Pahokee	4/7/2011	Sharon	Jennifer	1	
4/6/2011	ARC PBC	5/4/2011	Roger	Jennifer	2	
4/7/2011	YWCA	5/6/2011	Sharon	Gwen	1	
4/13/2011	Deaf Service Center	5/11/2011	Roger	Gwen	1	
4/14/2011	Salvation Army	5/9/2011	Sharon	Jennifer	1	
4/20/2011	Adopt-A-Family	5/18/2011	Roger	Terry	2	
4/21/2011	Urban Youth Impact	5/19/2011	Sharon	Gwen	2	
5/3/2011	Families First	5/26/2011	Sharon	Gwen	1	
5/11/2011	Communities In Schools	6/8/2011	Roger	Gwen	1	
5/25/2011	Drug Abuse Foundation	6/22/2011	Roger	Jennifer	2	
6/1/2011	PB Habilitation Center	7/1/2011	Roger	Gwen	2	
6/8/2011	Legal Aid Society	7/8/2011	Roger	Terry	1	
6/13/2011	South County Mental Health	7/12/2011	Sharon	Jennifer	2	
6/14/2011	Farmworkers Coordinating Council	7/7/2011	Sharon	Gwen	2	
6/15/2011	Center For Family Services	7/15/2011	Roger	Jennifer	1	
6/21/2011	Oakwood Center	7/20/2011	Sharon	Terry	2	
6/22/2011	The Lord's Place	7/22/2011	Roger	Terry	2	
6/23/2011	Housing Partnership	7/18/2011	Sharon	Terry	1	
6/29/2011	AVDA	7/22/2010	Sharon	Terry	1	
7/6/2011	Goodwill Industries	8/3/2011	Sharon	Terry	2	
7/6/2011	Wayside House	8/3/2011	Roger	Jennifer	1	
7/13/2011	Glades ARC	8/10/2011	Roger	Gwen	2	
7/21/2011	CARP	8/19/2011	Sharon	Terry	2	
7/22/2011	CARP	8/19/2011	Sharon	Terry	2	
7/27/2011	United Way	8/29/2011	Roger	Jennifer	1	
8/3/2011	Children's Home Society	9/6/2011	Roger	Terry	2	
8/17/2011	Children's Place at Home Safe	9/17/2011	Roger	Terry	2	
8/24/2011	Boys and Girls Club	9/24/2011	Roger	Jennifer	1	
TBD	Parent Child Center	TBD	Sharon	Jennifer	2	
9/14/2011	FLA. Outreach Cntr. for the Blind	10/14/2011	Sharon	Gwen	1	
10/7/2011	The Glades Initiative, Inc.	11/10/2011	Sharon	Jennifer	1	

1 = needs onsite fiscal monitoring; 2 = no onsite fiscal monitoring

Revised 06-22-11

FINANCIALLY ASSISTED AGENCY (FAA)
Monitoring Evaluation
Tool

ORGANIZATION INFORMATION

AGENCY NAME:

AGENCY ADDRESS:

OFFICE TELEPHONE:

FAX:

Executive Director Name:

Telephone:

Contact Person Name & Title:

Telephone:

FAA Program Monitor:

Telephone: (561) 355-

FAX: (561) 355-3863

E-Mail:

PROGRAM SITE VISIT & CONTACTS

SITE #1: Initial Visit Date:

Follow-Up Visit Date:

Contract Amount:

Contract Term:

Program Name:

Address:

**Contact Person
and Title:**

Telephone:

E-Mail:

SITE #2: Initial Visit Date:

Follow-Up Visit Date:

Contract Amount:

Contract Term:

Program Name:

Address:

**Contact Person
and Title:**

Telephone:

E-Mail:

SITE #3: Initial Visit Date:

Follow-Up Visit Date:

Contract Amount:

Contract Term:

Program Name:

Address:

**Contact Person
and Title:**

Telephone:

E-Mail:

Section I: GOVERNANCE and ACCOUNTABILITY

A. GOVERNING BODY AND AGENCY ADMINISTRATION

A-1) Is the program governed by a Board in which:

a. the membership is generally representative of the local Community?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

b. Are there policies that clearly define Board role and responsibilities (Board Manual)?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

c. Are Board meetings held with a quorum as outlined by Agency By-Laws?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

d. How often does the Board meet?

COMMENTS:

A-2) Is it assured that no member of the Board is a paid employee of the system? (Validate by: Reviewing By-Laws; conflict-of-interest clause)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

A-3) Does the Agency have policies describing services, regulations, principles, and guidelines that determine agency operation? (Validate by: Reviewing By-Laws, Policy & Procedures Manual etc)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

b. Does these policies also outline responsibility for financial management and oversight?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

A-4) Is the Director or CEO delegated responsibility for administration of the Agency and for carrying out policies as established by the Agency Board?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

A-5) Does the agency have a Strategic Plan that addresses any or all of the following: (Validate by: Reviewing Strategic Plan or other documents)

a. The achievement of Agency goals and outcomes?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

AGENCY:
DATE of MONITORING:
MONITOR:

Section I: GOVERNANCE and ACCOUNTABILITY

(Continued)

b. Clear timeframes for achieving goals and a method for evaluating the outcome

___ Yes (Source:) ___ No ___ N/A

c. Responsive to the needs of clients in the service area?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

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Section II: HUMAN RESOURCES MANAGEMENT

B. PERSONNEL AND STAFF TRAINING

- B-1) **PERSONNEL POLICY:** Does the Agency have written personnel policies and procedures which adhere to Federal and State mandates for Human Resource Management?

☐ Yes (Source:) ☐ No

COMMENTS:

- B-2) **PERSONEL FILES:** Are there procedures for establishing and maintaining secure Personnel Records?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

- a. **Do Personnel Records include at a minimum:**

1. **Original application?**

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

2. **Resume/qualifications/professional affiliations/licenses?**

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

3. **Regularly conducted performance reviews?**

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

4. **Background and criminal checks if required by law or licensure?**

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

- B-3) **STAFF TRAINING:** Does the Agency have an organized program of training which includes at least the following? (Validate by: Reviewing staff training plan and by interviewing selected staff regarding implementation):

- a. **Orientation procedures?**

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

- b. **In-service training programs?**

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

AGENCY:
DATE of MONITORING:
MONITOR:

Section II: HUMAN RESOURCES MANAGEMENT

(Continued)

B-4) Are volunteers who have no previous experience or training in the field required to: (Review volunteer training manual, if applicable)

a. Participate in a program of in-service training?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

b. Provide background checks when required by law or licensure?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

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Section III: FACILITY MANAGEMENT

C. FACILITY MANAGEMENT

- C-1) Are program facilities in compliance with all local and state laws, standards, codes, and regulations which are applicable; especially fire, health and safety codes? (Validate by: Seeing appropriate documents)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

- C-2) Does the facility and/or sites have an effective housekeeping/maintenance plan to maintain the building(s) in a clean, safe, and orderly condition?: (Validate by: Seeing the plan and/or inspection reports)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

- C-3) Does the facility have written plans to handle life-threatening emergencies such as fires, natural disasters, or medical emergencies? The plan must include the assignment of tasks, instructions for use of alarm systems, notification of authorities, use of special equipment, and escape routes and procedures. (Validate by: Reviewing Hurricane Disaster Preparedness Plan etc)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

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AGENCY:
DATE of MONITORING:
MONITOR:

Section IV: PROGRAM / SERVICE DELIVERY

D. AGENCY SERVICES

D-1) Are the Agency's services consistent with their Mission Statement and/or Scope of Work? (Validate by: Reviewing schedule of services)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

D-2) Briefly describe the program services:

a. Information and Referral?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

b. Case Management?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

c. Individual counseling?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

d. Family, couple, or parent counseling?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

e. Group counseling?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

f. Rehabilitation, Restoration Services? (e.g. vocational counseling, disability counseling, social skills learning)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

D-3) Screening and Intake Procedures: Are there written screening and/or intake procedures for the Agency which provide the following assurances? (Review selected client records for documentation)

a) That upon initial request for services, a screening will be done to determine client eligibility and need, and that screening will be conducted by staff specifically trained in this function?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

Section IV: PROGRAM / SERVICE DELIVERY

(Continued)

- b) That initial intake services will be offered on a timely basis and appropriate to the needs of the client?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

- c) That during the Screening / Intake Process, clients will receive information about the nature of the services offered, the procedures, fees if applicable, hours involved, and their choices, rights, and responsibilities while receiving services?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

- D-4) **Services Assessment and Planning Process:** In order to assess the service needs and identify goals, does the Agency have an assessment tool or do they use tools from referring agencies?

- a. The Agency uses its own assessment tool.

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

- b. The Agency uses assessment tools from referring agencies.

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

- D-5) Has the Agency assigned a case manager to each client whose duties include the following: (Validate by: Reviewing selected client records)

- a. Implement a client Individual Service Plan based on an assessment?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

- b. Schedule routine conferences with the client to determine the progress of planned services, to make adjustments, and to discuss other issues related to the individual service plan?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

- c. Review the individual service plan at least regularly to ensure that progress notes are sufficient to keep the client's record current and to documents client-related activities?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

- d. Update and re-evaluate the individual service plan at each major change or decision point, with consultation from the client and other parties involved?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

AGENCY:
DATE of MONITORING:
MONITOR:

Section IV: PROGRAM / SERVICE DELIVERY

(Continued)

- e. **Coordinates the development and implementation of termination reports and client follow-up, with input from the client and others involved?**

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

:

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Section V: CLIENT RECORDS / RECORDS MANAGEMENT

E. CONTENT

The Agency must develop an individualized case record for each client. The detail and comprehensiveness of each case record will depend upon the service needs of the client.

E-1) Are client records kept in a secure or locked area to ensure confidentiality, including password-protected client electronic data?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

E-2) Does the case record contain, at a minimum, the following client information? (Validate by: Reviewing case records)

a. Name?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

b. Address and Telephone Number?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

c. Gender?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

d. Marital Status?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

e. Race?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

f. Date of Birth?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

g. Identifying Photo I.D (i.e copy of License or Florida I.D)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

AGENCY:
DATE of MONITORING:
MONITOR:

Section V: CLIENT RECORDS / RECORDS MANAGEMENT

(Continued)

h. Referral Source?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

i. Need?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

E-3) Is there an Action Plan that outlines the following:

a. Long-term and short-term goals?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

b. Goals stated in terms of specific observable changes?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

c. Times frame(s) for attainment of each goal?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

d. For each goal, the service needed to attain the goal?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

E-4) Does the case record/client file contain progress notes? (Validate by: Reviewing case files)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

a. Are the progress notes updated regularly, unless the action plan indicates less frequent need?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

b. Do the progress notes reference dates of contacts with:

1. The Client?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

Section V: CLIENT RECORDS

(Continued)

2. Involved agencies?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

3. Other System-of-Care partners?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

c. Do the progress notes include a description of the client's progress relative to the Individual Service Plan?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

d. Do the progress notes include a description of any modification to the service plan?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

E-5) Do client files document the agency confidentiality policy and include properly completed releases if applicable?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

E-6) Does the case record/client file contain a Closure or Termination Report? (Validate by: Reviewing client record)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

a. Does the Closure Report include the reason for termination? (i.e. service concluded, referral to another agency)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

b. Does the Closure Report include an evaluation of the impact of the Agency's services on the client's service goals?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

c. Is the Closure Report dated and signed by the individual making the report?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

AGENCY:
DATE of MONITORING:
MONITOR:

Section V: CLIENT RECORDS

(Continued)

- d. Does the program have a method for documenting client incident reports, including disciplinary action?
(Validate by: Seeing client incident reporting procedures)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

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Section VI: PROGRAM / SERVICE ACCESSIBILITY

F. PROGRAM / SERVICE ACCESSIBILITY

F-1) Are services provided at such times to assure accessibility (i.e. evenings or weekends)? (Validate by: Reviewing schedule of services)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

F-2) Are services provided at locations with physical accessibility? (Validate by: Reviewing location of services)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

F-3) Are program services available to all residents of the service area? (Check non-discrimination policy, demographic reports, client files)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

F-4) Does each program site have an employee on premises at all times who is responsible for handling immediate problems and issues? (Validate by: Reviewing 24-hour staffing pattern for entire week)

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

F-5) Are these services provided under the supervision of a person with the appropriate qualifications?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

(This Space Left Intentionally Blank)

AGENCY:
DATE of MONITORING:
MONITOR:

Section VII: EVALUATION AND OUTCOMES

G. AGENCY EVALUATION

G-1) Have there been any program changes or adjustments as a result of the Agency's self-monitoring or self-evaluation?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

G-2) Does the Agency work cooperatively with other human service agencies to ensure service coordination? (review MOU's, Service Agreements, Non-Formal Agreements)

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

G-3) If this Agency is evaluated by other funding sources, are copies of these reports available?

___ Yes (Source:) ___ No ___ N/A

G-4) Have all Corrective Actions been resolved?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

PROGRAM OUTCOMES

G- 4) Are program-level outcomes or service outcomes submitted as required by the contract?

1st Q___ 2nd Q ___ 3rd Q___ 4th Q___

COMMENTS:

G-5) Is the agency meeting their outcome goals? If not, why not?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

G-6) What evaluation tools and methods are used to collect data for reporting?

COMMENTS:

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Section VIII: STAFF SURVEY

NOTE: The monitor should attempt to interview a sample of Program Staff.

H. INTERVIEWEE'S JOB TITLE: _____

H-1) What are the primary duties/responsibilities of the employee?

COMMENTS:

H-2) Does the employee have a current copy of his/her job description?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

H-3) Is the job description an accurate reflection of the position's activities?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

H-4) Does the Agency provide staff development opportunities within the program?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

H-5) Does he/she have a general awareness of the program's personnel policies?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

H-6) Does the employee understand and know how to use the program's personnel grievance procedure?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

H-7) Does the employee receive an annual (or regularly scheduled) employee performance evaluation?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

H-8) Does the employee feel that the worksite is free of job or employee discrimination?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

a. If not, is the employee aware of protocols for handling discrimination claims?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

AGENCY:
DATE of MONITORING:
MONITOR:

Section VIII: STAFF SURVEY

(Continued)

H-9) Are there regular staff meetings to ensure communication?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

a. If yes, how often are staff meetings held?

b. If yes, who usually attends the staff meetings?

H-10) Does the employee feel that he/she is involved in problem area identification and the development of solutions to problems within the Agency or program?

☐ Yes (Source:) ☐ No ☐ N/A

COMMENTS:

OTHER COMMENTS?

(This Section Left Intentionally Blank)

Section IX: BOARD OF DIRECTORS INTERVIEW

I. BOARD MEMBER'S NAME AND TITLE: _____

I-1) How long have you served on the Board?

___ Years ___ Months

COMMENTS:

I-2) How did you initially become interested in this Agency?:

a. Describe the process for your selection to the Board:

I-3) How often does the Board meet?

I-4) Is there an attendance requirement to stay on the Board?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

I-5) Are any Board Members compensated for their service to the Agency?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

I-6) Is there consumer representation on the Board?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

I-7) Do you feel the Board is representative of the demographic and socio-economic composition of the population you serve?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

I-8) What are the pressing issues facing your Board in regards to the services it provides

COMMENTS:

I-9) What improvements could be made to this Agency or to its services?

___ Yes (Source:) ___ No ___ N/A

COMMENTS:

AGENCY:
DATE of MONITORING:
MONITOR:

Section IX: BOARD OF DIRECTORS INTERVIEW

(Continued)

I-10) As a Board Member, have you ever visited the facilities' locations and/or talked with line staff?

☐ Yes ☐ No ☐ N/A

COMMENTS:

I-11) Please explain how the agency impacts the community and/or the constituents it represents?

OTHER COMMENTS:

(This Space Left Intentionally Blank)

AGENCY:
DATE of MONITORING:
MONITOR:

Section X: CLIENT INTERVIEW

J. CLIENT INTERVIEW QUESTIONS AND COMMENTS:

- J-1) Why did you choose this Agency for services?
- J-2) How long have you been receiving services from this Agency?
- J-3) How satisfied are you with the treatment you have received?
- J-4) How satisfied are you with the services you have received?
- J-5) Do you know and understand the program guidelines?
- J-6) How often do you have contact with Agency staff? Is this sufficient?
- J-7) Would you recommend the Agency to a friend, relative or acquaintance?

OTHER COMMENTS:

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PROCEDURE FOR ON-SITE MONITORING

PURPOSE: To establish guidelines for conducting fiscal monitoring of agencies receiving county funding to assure compliance with applicable Federal, State and county requirements.

UPDATES: Future updates to this policy will be the responsibility of Community Services' Director of Finance and Support Services.

AUTHORITY: Grants Administration, CW-F-003

POLICY: On-site monitoring of "new" agencies receiving county funding will be conducted no later than one hundred eighty days (6 months) after the agreement between the county and the agency has been signed. Agencies monitored by the county and deemed to have "no Findings" during an audit will be monitored on a bi-annual basis. Agencies issued findings during a previous site-visit will be monitored on an annual basis until it is deemed that they agency has satisfactorily addressed and corrected previous findings.

Agencies receiving county funding must be certified annually by Nonprofits First .

PROCEDURE: Grant Monitoring Checklist

CSD Monitor: _____ **Date of Visit:** _____

Agency Being Monitored: _____

Agency Staff Consulted: _____

Items to examine:

- Worker Compensation Insurance Policy (Showing current Workers Comp. Rate)
- Agencies most recent Nonprofit First Certification
- Current General Ledger showing expenses incurred that support unit cost rate. (General Ledger is required per Article 11E of the FAA contract)
- Backup documentation that supports the agency's monthly reimbursement (i.e. time sheets, payroll registers, attendance logs, housing/shelter logs, utility bills , rent invoices, etc.)
- Cross reference clients' case notes to verify that units billed corresponds with what is documented in clients' file.

Note: Agencies found to have "findings" of their processes during a visit must respond (in writing) and implement corrective actions to applicable findings within thirty days. Findings resulting in over billing the county for services must be addressed by (a) refunding the county the amount found to be overbilled or (b) adjusting the following month's reimbursement to account for the amount previously overbilled.



Joe Doucette, Chief of Operations
Office of Inspector General
Palm Beach County
P.O. Box 16568
West Palm Beach, FL 33416

September 20, 2012

Department of Community Services

810 Datura Street
West Palm Beach, FL 33401
(561) 355-4700
FAX: (561) 355-3863
www.pbcgov.com



**Palm Beach County
Board of County
Commissioners**

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Steven L. Abrams, Vice-Chair

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Paulette Burdick
Burt Aaronson
Jess R. Santamaria
Priscilla A. Taylor

County Administrator

Robert Weisman

*"An Equal Opportunity
Affirmative Action Employer"*

Mr. Doucette,

We have reviewed the contract oversight review draft document and have some feedback for your consideration;

Issue:

The document states in the Issues and Findings section on page three that there were issues from your previous report that you were looking into around the FAA contracts not being readily available to the RFP review panel members. I would like to state that while the contracts were not available in hard copy to the review teams, the monitoring staff were present at all reviews and provided reports on how the agencies performed during the year-to-date in both performance and contract compliance.

Finding #1 & #7:

Staff agrees with these findings in that the CS PPM has not been updated recently and that it does not address several key areas in its scope. When reviewing the Contract Oversight Review document it should be noted that 4 of the 8 findings address policies and procedures. The initial finding speaks to the outdated PPM. Findings 5, 7 and 8 speak to outdated or non-existent policies and procedures. We acknowledge the need for PPM updates but believe all of these findings could be consolidated into a single finding address the need for updates.

Finding #2:

Should this be a finding or a recommendation?

While the staff does not have an established written PPM for the yearly monitoring plan on paper, they do follow an informal process of assessing risk for each agency every year. A rating system was developed to determine which agency did not require fiscal monitoring every year. The rating system has now been used to address agencies that may not require a program monitoring every year.

The finding goes on to say that "CS staff had no documentation available to support the rating process used to make the determination

of need for on-site monitoring versus a less thorough desk review.” It goes on to state that “CS monitors were not aware of established criterion on which the decision was made to monitor or exclude a particular service program(s) or contract.” Staff utilizes the same process every year to determine the risk level for which monitoring a contract should receive. The criteria is established and used consistently. Further, the report states that there are three fiscal monitors assigned to monitoring the FAA contracts. Fiscal monitoring of FAAs is a small portion of these fiscal monitors’ work.

Finding #3:

In the third paragraph, of the OIG Review section it states “monitors... use the Guide (Monitoring Tool) to ensure all pertinent elements were reviewed. In files where no Guide existed, the monitor made notes indicating their analysis of the factors referenced in the Guide.” The same paragraph also states “Unlike reports developed pursuant to the Guide, where monitoring results were presented in an orderly and uniform fashion, the presentation of monitoring results in files wherein the Guide was not used was inconsistent and not uniform.” The standards in the FAA Monitoring and Evaluation tool are used to direct the monitoring process for all agencies and final reports. The physical absence of the tool in the Agency file does not suggest that the tool was not used. All standards in the tool may not apply to all agencies and therefore the absence of some standards in the final narrative report may account for what appears to be inconsistencies or lack of uniformity in the use of the tool. We ask that this be clarified in this report.

Finding #4:

Staff agrees that there are no documented procedures existing for the development and use of corrective action plans in the FAA contract monitoring program. While the staff does not have an established written PPM for the development of corrective action plans, they do follow an informal process consistently every year. This will be a very important inclusion in our PPM update.

Finding #5:

Finding states that there are no documented procedures regarding the steps and process to follow for noncompliance or failure to meet the terms and conditions provided in the FAA contract agreement. Staff ensures compliance of services through the contract itself. There have not been any disputes because we apply the standards of the contract across the board. As stated in the beginning of this letter, this is simply the absence of a policy, not a failure on the part of staff to uphold the tenets of the contract. When a contract is in place it does not appear necessary to have a separate PPM to address compliance with the contract. The contract is the governing document.

Finding #6:

Staff agrees that there are no written procedures pertaining to FAA contract monitoring training. Fiscal staff is sent to training in order to equip them on the auditing tools. Fiscal staff is scheduled for training on October 24th on “Identifying Fraudulent Financial Transactions.” Staff training will be added as a component to the PPM as it is being revised and updated.

Response to Contract Oversight Review
Page 3

Finding #8:

Is this a finding, or is it considered a recommendation? All files are treated exactly the same as was mentioned under the OIG Review section. The fiscal monitoring staff processes final payments. When there are programmatic issues program monitoring staff informs the fiscal staff so they can hold final payment once issues are resolved.

One of the challenges we continue to face is the shortage of available funding that will allow us to address fully all aspects of the contract development and monitoring process. For program monitoring staff we have 1.75 FTE equivalents which is \$114,852 in the department administrative budget. They manage approximately 50 agencies and \$13,638,671 in total funding. Additionally their work is not limited to contract monitoring and compliance as they also have numerous other responsibilities including the development and execution of the FAA RFP. In respect to the fiscal monitors we do not have three FTE equivalent staff; rather we have less than 5% of three staff members' time allocated to manage FAA-related work. This is a total of .15 FTE equivalent fiscal staff for \$11,187 in the department administrative budget.

Utilizing our limited staff to the best of our ability we have continued to prioritize the most important aspects of our work which is ensuring that public funds are appropriately spent on services contracted. We have forwarded the draft manuals for both the program and fiscal monitoring procedures. We will continue to move both PPMs to adoption and are targeting this year for that to happen.

Sincerely

A handwritten signature in cursive script that reads "Channell Wilkins". The signature is written in dark ink and includes a small, stylized flourish at the end.

Channell Wilkins, Director
Department of Community Services

cc: Tammy Fields, Assistant County Attorney