



# Administrative Monitoring

*Partnership + Responsibility*

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# Presentation Goals

- Goals: To understand federal requirements governing administrative monitoring, Commerce's current monitoring approach, and the effects of monitoring findings

# Federal Requirements

- Grantees are responsible for monitoring awards to subgrantees
- DOE has established a monitoring process that ensures three main goals are met:
  - Proper and timely use of funds
  - Transparency and accountability
  - Quality assurance and controls

# Federal Requirements

- Results of monitoring must be tracked by the Grantee to final resolution
- Subgrantee noncompliance or repeated unresolved findings must be reported to MN's DOE Project Officer
- Monitoring results must be shared with DOE on an annual basis and randomly as requested

# Effects on Funding & Requirements

- WAP performance is continually scrutinized by DOE, Commerce, and other decision makers
- Monitoring findings affect the State and program as a whole
- Funding decisions take into account current fund balances

# MN WAP State Plan

- Minnesota's annual State Plan submitted to DOE includes an outline of monitoring activities
- Commerce Monitoring Goals
  - Ensure compliance with federal/state rules and policies
  - Ensure program quality and effectiveness
  - Identify and correct major deficiencies and develop T&TA to address these

# MN WAP State Plan

## *Administrative Monitoring Scope*

- Program Overview
- Financial Administration and Management
- Equipment/Inventory/Materials
- Client/Household Eligibility
- Service to Renters
- Reporting
- Audits

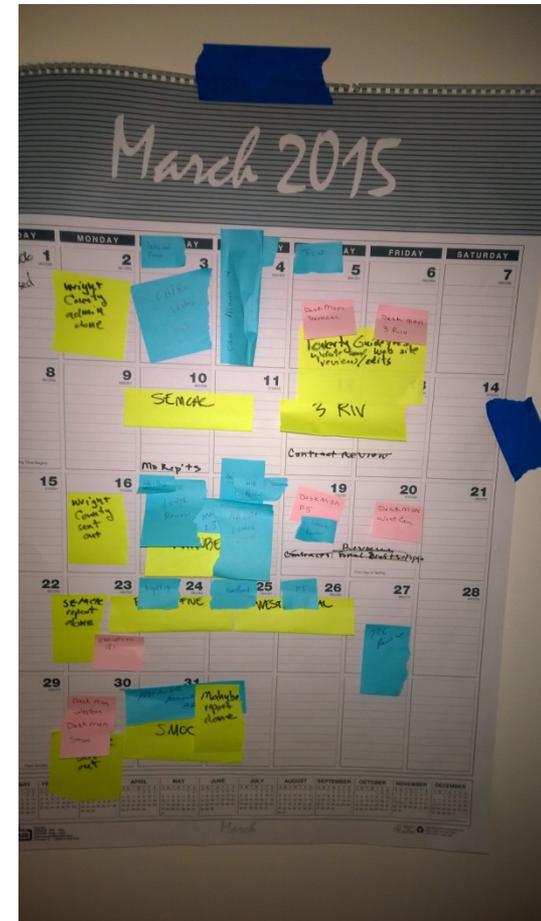
# MN WAP State Plan

## *Administrative Monitoring Scope*

- Payroll/Personnel
- Procurement
- Record Retention
- Qualifications and Training
- Monitoring Results and Follow-Up Procedures
- Contractors

# PY14 Monitoring Updates

- EAP and WAP monitoring results will be shared between Commerce EAP & WAP staff
- Pre-scheduling all monitoring visits for PY14
- Development of a consequence management policy



# PY14 Monitoring Updates

- Late September: Commerce webinar on how to prepare for monitoring visits
- More frequent and regular desk monitoring
- Timely monitoring results from Commerce to Service Providers
- Communication improvements prior to reports being sent

# Desk Monitoring

- Timely Reporting
- eHeat Data: FSRs, Cash Requests, Work Plan, Budgets
- Weatherization Assistant (WA) Reports
- WA Monthly Error Reports
- Past Monitoring Reports
- Production Schedule
- Quarterly Budget

# On Site Monitoring

- Commerce Monitoring Questionnaire
  - Staff and organizational structure
  - Internal Controls
  - Work flow
  - Procurement
  - Service to clients
  - Policy changes
  - Challenges to administering the program

# On Site Monitoring

- Household File Reviews:
  - Household eligibility
  - Dwelling eligibility
  - Procurement
  - Payment documentation
  - Internal controls

# On Site Monitoring

- Contractor File Reviews
  - License/bonding
  - Insurance
  - Lead Certifications
  - Debarment
  - Background check



Minnesota Public Criminal History



# Monitoring Results

- Monitoring reports sent to Service Providers
- Past years' results are reviewed prior to each visit
- Results are shared with DOE as required or requested
- Common themes & best practices identified

# High-Risk Subgrantees

- Federal Rules – 10 CFR 600.212
- Service Providers are considered high risk if Commerce determines the Provider:
  - Has a history of unsatisfactory performance
  - Is not financially stable
  - Has financial or program management systems that do not meet federal requirements
  - Has not conformed to terms and conditions of the award
  - Is otherwise not responsible

# High-Risk Subgrantees

- Commerce has two procedures for responding to high-risk subgrantees (WAP Policy Manual, Section 4, Page 3)
  - Procedure 1: Corrective Action Plan
  - Procedure 2: Corrective Action Plan with additional requirements or restrictions
- PY14: Three Service Provider contracts were held by Commerce, pending a work plan for delivering services

# High-Risk Subgrantees

- Special conditions for high-risk grant recipients – 10 CFR 600.212
  - Reimbursement payments only
  - Stoppage of work or withholding new funds
  - Requiring additional financial reports
  - Additional monitoring visits
  - Requiring training
  - Establishing additional prior approvals

# Recapturing Funds

- DOE requires State Plans to include a description of how the State will ensure funds are spent.
  - “...Commerce will work with subgrantees it believes may not complete its allocation within allotted time frame and may recapture funds from any underperforming Subgrantee...”
  - “...Commerce reserves the right to defund any subgrantee not performing to the contract and/or not following standard fiscal or administrative procedures”

# Training and Technical Assistance

- Commerce is in partnership with Service Providers to be good stewards of Federal and State funds
- On site T&TA
- Monitoring identifies statewide training needs
- Monitoring identifies best practices

# Questions?



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