



DEPARTMENT OF ECONOMIC SECURITY

*Your Partner For A Stronger Arizona*



**City of Glendale - Presentation on Monitoring  
November 21, 2024**

# Introduction

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# Agenda

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- Background
- Goal of Monitoring
- Monitoring Practices
- Grant Recipient Selection
- 3 Phases of the Compliance Monitoring Process
  - ◆ Pre-Monitoring
  - ◆ Monitoring Engagement
  - ◆ Post-Monitoring
- Findings and Recommendations
- SFY25 Monitoring Schedule and Previous Monitoring Outcomes

# Background

→ CSBG Act of 1998 and LIHEAP Statutes

CSBG-eligible entities and LIHEAP recipients are required to be monitored on-site at least once every three years

→ Hybrid monitoring process takes place over two weeks and includes an on-site visit

→ CCSD CAPS conducts compliance monitoring of a sample of subgrantee programs



# Goal of Monitoring

- Ensure that programs are operating in accordance with federal statutes
- Provide an opportunity to assist in areas in need of improvement
- Understanding how federal and state requirements are being implemented
- Analyze subgrantee programmatic and fiscal policies and procedures
- Monitoring subgrantee recipient practices, sample case files, and financial transactions
- Gathering information on noteworthy practices and strategies
- Providing training and technical assistance, when needed



# Monitoring Practices

- The overall health of an agency
- The effectiveness of the board of directors (CSBG only)
- The CSBG project funding (CSBG only, as applicable)
- The accuracy of application intake and applicant funding assistance
- Administrative and leadership capacity of agency management
- The strength of the agency, the Network, and other contractors
- Performance Management Framework to include Organizational Standards and ROMA (CSBG only).

# Grant Recipient Selection

- Criteria-based process to select subgrantees each year for compliance monitoring
- Assess and prioritize subgrantee data and information to determine who would benefit most from compliance monitoring
- Several data sources used to select subgrantees such as risk assessments and annual independent single audit reports
  - Number and severity of audit findings and the results from previous compliance monitoring
- Prioritizes agencies that have not participated in compliance monitoring in the previous 3 years



# Compliance Monitoring Process - Pre-Monitoring

- Agencies provide pre-selected documents for CCSD to review and prepare for monitoring
  - ◆ Request for information is sent 4-6 weeks prior to the monitoring engagement
- Includes Contract Compliance Review (CCR) document requests and case file requests
  - ◆ A selected group of case files for CSBG, LIHEAP, STCS, and NHN, as applicable
- On-site visits, interviews, and observations and scheduled
- Completion of provided Contract Compliance Review (CCR) documents related to Administration, Fiscal, and Programs



# Compliance Monitoring Process - Monitoring Engagement

- Begins with an entrance interview to include all state and agency staff who will participate in the monitoring process
- On-site and remote compliance monitoring event
  - ◆ Utilization of a monitoring protocol and questionnaire
  - ◆ Questionnaire is used to interview agency staff and conduct observation of activities
  - ◆ Questionnaires are used to guide the discussion and cover most areas of program and fiscal operations
  - ◆ The general areas of the protocol include reviewing the following areas of compliance with the federal statutes, applicable state and federal regulations, and the agency's policies and procedures



# Compliance Monitoring Process - Monitoring Engagement

- ❖ Personnel Review with Human Resource Staff
  - Five random employee files are selected
- ❖ Billing Review with Fiscal Staff
  - Review of invoice and fiscal documentation submitted for billing. At least one invoice is selected to obtain samples from all funding lines
- ❖ Board Member Interviews
  - For CSBG only - Interviews are conducted with at least one low-income representative and one from either the private sector or an elected official/representative.
- ❖ CSBG Program Interview with agency management staff
- ❖ LIHEAP Program Interview with agency management staff
- ❖ The monitoring engagement ends with an exit interview



# Compliance Monitoring Process - Post-Monitoring

- Compile all observations made during pre-monitoring and the monitoring engagement and identifies any findings, recommendations, and noteworthy practices
- CCSD CAPS drafts an initial monitoring report
  - ◆ The initial monitoring report is issued to the agency within 30 calendar days of completing the monitoring engagement and will list Findings and Recommendations for the agency.
  - ◆ The agency has 30 calendar days from the issuance of the initial report to respond
  - ◆ CCSD CAPS will request the agency provide a plan to address deficiencies as well as a narrative for implementing recommendations

# Findings and Recommendations

**Findings** identify contract deficiencies that must be corrected.

- A Corrective Improvement Plan (CIP) must be provided for each Finding
- A CIP must detail logical steps the agency will take to correct the finding expeditiously.
- The CIP will be reviewed and approved by CCSD CAPS staff and monitored to ensure the agency's compliance.
- Failure to submit or implement a CIP may result in further negative actions

**Recommendations** identify areas in which CCSD strongly encourages an improvement

- The agency must develop and submit a narrative response for each recommendation and identify a methodology for implementation.
- If the agency chooses not to implement a recommendation, the narrative must provide a valid justification to be reviewed and approved by CCSD

# SFY25 Monitoring Schedule

Anticipated Month	Agency	Type
September 2024	Gila County Community Services	On-Site
November 2024	City of Phoenix Human Services	On-Site
February 2025	City of Glendale	On-Site
April 2025	Wildfire, Inc	On-Site
June 2025	NACOG	On-Site

Monitoring scheduled for 01/27/2025 - 02/07/2025

Last monitoring was in March 2022

1 Finding and 1 Recommendation regarding missing items in Personnel files



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**Questions**