

**OFFICE OF COMMUNITY SERVICES**

**SUB-RECIPIENT MONITORING PLAN**

**SFY 2015 and SFY 2016**

# **DIVISION OF COMMUNITY AND VOLUNTEER SERVICES**

## **SUB-RECIPIENT MONITORING PLAN**

### **TABLE OF CONTENTS**

TAB A.	INTRODUCTION
TAB B.	MONITORING APPROACH: A DESCRIPTION HOW FREQUENCY OF MONITORING DETERMINED
TAB C.	STAFF ASSIGNED TO MONITORING
TAB D.	TWELVE MONTH MONITORING SCHEDULE
TAB E.	DOCUMENTED STANDARDIZED MONITORING PROCESS
TAB F.	RISK ASSESSMENT MATRIX
TAB G:	WRITTEN NOTIFICATION OF INITIAL VISIT TO SUB-RECIPIENT
TAB H:	FINANCIAL AND ADMINISTRATIVE MONITORING TOOLS FOR CAAs
TAB I:	FINANCIAL AND ADMINISTRATIVE MONITORING TOOLS FOR PubCAAs
TAB J:	FINANCIAL AND ADMINISTRATIVE MONITORING TOOLS FOR SCAOs
TAB K:	DOCUMENTS USED FOR SAMPLE SELECTION
TAB L:	SAMPLE MONITORING RESULTS REPORT FORMAT
TAB M:	STANDARDS FOR FOLLOW-UP
TAB N:	CORRECTIVE ACTION PLAN OUTLINE
TAB O:	PLAN FOR INADEQUATE RESPONSES

## **A. INTRODUCTION**

The Office on Volunteerism and Community Service (OVCS) works with a network of Private, Non-Profit Community Action Agencies (CAAs), Public Community Action Agencies (PubCAAs), and Statewide Community Action Organizations (SCAOs) to administer the federal Community Services Block Grant (CSBG). Virginia's CAAs primarily consist of private, non-profit organizations that administer a wide variety of programs and services that alleviate poverty and empower low-income families and communities to become self-sufficient. PubCAAs are city or county run organizations that are a part of a larger government entity. The SCAOs are stand-alone agencies that generally focus on one program which they help fund and monitor throughout the state.

Federal statutes require that OVCS monitor each local CAA at least once every three years to ensure sub-recipients are meeting performance goals, administrative standards, financial management requirements, and other requirements. OVCS views this as an absolute minimum and, in practice, endeavors to visit and/or monitor CAAs at least annually, especially those agencies that have been defined as at-risk. OVCS extends this practice to the PubCAAs and the SCAOs. OVCS' monitoring practices address far more than compliance with program rules and regulations. OVCS takes a systems approach in fulfilling its monitoring responsibilities, noting the quality of service delivery and the effectiveness of the agency's management systems in ensuring consistent application of policies and procedures throughout the organization's operations.

The Office on Volunteerism and Community Service (OVCS) has also fully embraced a risk-based approach in monitoring its sub-recipient agencies. The purpose of this approach is to identify and correct weaknesses that if left undetected might result in the loss of federal and/or state funds and that could even threaten the on-going viability and existence of the agency. OVCS views its monitoring activities as a critically important part of a process to strengthen the entire community action network.

OVCS will have the most recent report on file for review by VDSS Regional Staff, the home office program, and division sub-recipient monitoring coordinator.

## **B. MONITORING APPROACH:**

### **A DESCRIPTION OF HOW FREQUENCY OF MONITORING DETERMINED**

Monitoring guidelines are set forth by the following:

1. The Coats Human Services Reauthorization Act of 1998, Public Law 105-285
2. The Community Action Act, §§ 2.2-5400 et seq.
3. The CSBG Contracts
4. OMB Circulars A-87, A-102, A-110, and A-122
5. Other relevant legislation, regulations, and requirements as amended or incorporated by state or federal government.

Monitoring is an on-going process conducted throughout the year and includes the review and evaluation of annual budgets and work plans; quarterly reports; board of director minutes; OMB Circular A-133 Financial and Compliance audit reports; agency policies including its Personnel Policies, Financial Management Policies and Procedures, and By-Laws; and year-end reports that outline outcomes achieved.

In addition, at least once every three years OVCS conducts a comprehensive on-site review of all grantees. Utilizing standard monitoring instruments and procedures, these reviews examine all of the agency's management and governance systems. These on-site monitoring reviews, for most of the grantees, include a desk review, a Financial Management Review Instrument, and Board of Directors interview, a Management Team interview, and a Staff Focus Group, as well as a review of a sample of personnel files, financial documents and transactions, and client files. Utilizing a standard format, written monitoring reports are submitted to the agency's Executive Director and the President or Chair of the agency's board of directors. Written responses and corrective action plans are required and reviewed. If the monitoring report contains weaknesses or findings follow-up on-site reviews are conducted to ensure corrective action plans are implemented.

OVCS's monitoring strategy encompasses mechanisms to provide oversight of grantees, which may include the following:

- a. Maintaining regular communications, such as scheduled conference calls or advisory or policy issuances, etc.
- b. Training, to assure program staff knowledge.
- c. Tracking and reviewing Quarterly Reports, A-133 audits, and special reports.
- d. On-site monitoring reviews are conducted at least once every three years. Grantees found "At-risk" receive increased monitoring visits.
- e. Evaluation of each grantee's progress in achieving program goals and the severity of any standards not met.
- f. Review of line item invoices and payment history that appear unusual or excessive in nature.

On-going technical assistance provided as requested or needed.

## **Virginia's Monitoring Principles and Practices**

The CSBG Act of 1998 requires the State CSBG office to monitor local community action agencies at least once every three years. OVCS extends this practice to the public and state-wide community agencies. Complete and concise monitoring is considered a good business practice as it can assist grantees in continually improving their operations, services, and outcomes as they strive to end poverty in their community. The Virginia Office on Volunteerism and Community Services believes that it is important to maintain a strong partnership between its office, the Virginia Community Action Partnership, and local community action agencies. This partnership helps to build capacity at the local level and provides a framework for training and technical assistance to enable the network to excel in its work.

It must be noted that monitoring is but one of many tools available to strengthen agencies' capacity and outcomes. Local agency self-assessments, the national Community Action Partnership's Standards of Excellence, training and technical assistance, peer-to-peer exchanges are all tools that are essential to maintaining and strengthening agency capacity.

In developing a policy paper that outlines a framework for the development of strong and effective monitoring systems for the nation's community action agencies, the National Association of State Community Services Programs (NASCSPP) has adopted the following guiding principles and practices pertaining to monitoring. Virginia's Office of Community Services endorses these important principles and enacts these practices.

### **Guiding Principles to Monitoring**

#### **Mutual Respect**

In working with local boards, staff, and consultants, we will value and recognize the unique knowledge, ability, and independences of each person. We are 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 we are committed to keeping lines of communication open. The purpose of our 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. We intend to communicate frequently through a variety of tools and media. We are open to agencies contacting us and are committed to listening to them and to gain an understanding of their operations and to assist them in pursuing their priorities.

#### **Joint Problem Solving**

We operate under the basic belief that a team approach to problem solving is in the best interest of all parties involved. We sincerely believe that collectively we can arrive at the best solution to any situation. Through a team approach to problem solving, we are forced to think outside our traditional ways and come up with the best strategies for program development, conflict resolution, or compliance issues. We want to promote an environment in which all parties will be open to change and can work together in exploring options and developing mutually agreeable solutions.

Our goal is to have agencies function independently with our support in an effort to meet the needs of local communities within the parameters set by legislation.

### **Monitoring Practices**

#### **Practice 1 - State Monitors will look at more than compliance with program rules and regulations.**

State monitors cannot look solely at compliance with particular program standards rather they need to take a systems view of each agency, and note the quality of service delivery and program operations throughout the agency. In order for an agency to be truly “healthy”, it must be continually striving to find better ways to use programmatic resources to help people move out of poverty.

#### **Practice 2 - State Monitors will assess the effectiveness of the board of directors.**

An effective board is critical to the overall health of an agency. 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 an agency. A board that is not evaluating agency programs and operations fails to ensure agency resources are 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 the mercy of management staff.

#### **Practice 3 – State Monitors will assess the level of administrative and leadership skills of agency management.**

An effective agency is flexible and responsive to the needs of individuals and the community it serves, as well as committed to its employees. We understand the complexity of managing dozens of programs, each with its own guidelines and budget. Monitors will therefore assess the agency’s many management systems and how those systems are applied to multiple programs and activities. Monitors will seek to assess the degree to which the management of an agency is leading the organization towards more effective and responsive service delivery.

#### **Practice 4 – Monitoring Community Action Agencies is part of a process to strengthen CAAs and the entire community action network.**

Information garnered from a systematic monitoring approach serves several purposes. First, it provides the local community action agency with feedback about its programs, going beyond compliance to include an assessment of the agency’s ability to change lives. Secondly, it should assist leaders in making changes that will improve their organization. It can provide agencies 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 managers to take proactive steps to strengthen their organizations, before problems or crises arise. Third, monitoring can provide the state with data that can be used to assess the statewide community action network thereby providing the opportunity to provide training and/or technical assistance that will build network-wide capacity and improve its effectiveness.

## **C. STAFF ASSIGNED TO MONITORING**

Staff presently assigned to monitor the agencies receiving CSBG funds are:

1. Matt Fitzgerald, Program Consultant
2. William Stith, Program Administrative Specialist II
3. Donalda Avalon, Program Consultant Senior

## **D. TWELVE MONTH MONITORING SCHEDULE**

OVCS tentatively schedules monitoring visits from July 1, 2014 to June 30, 2015 in four quarters. This schedule includes only the “required” once every three years monitoring visits. Additional visits are scheduled on an ad hoc basis as needed. The following agencies have been, or will be, monitored within the next fiscal year within the quarters noted:

### **1<sup>st</sup> Quarter (July 1, 2014 through September 30, 2014):**

- Alexandria Office of Community Services Alexandria, VA
- The Improvement Association, Inc. Emporia, VA
- Office of Human Affairs Newport News, VA

### **2nd Quarter (October 1, 2014 through December 31, 2014):**

- Monticello Community Action Agency Charlottesville, VA
- Quin Rivers, Inc. New Kent, VA

### **4th Quarter (April 1, 2015 through June 30, 2015):**

- Pittsylvania County Community Action Agency Chatham, VA

## **E. DOCUMENTED STANDARDIZED MONITORING PROCESS**

Using standard review instruments, OVCS monitoring targets agency's management systems and a review and/or collection of the following documents including, but not limited to:

	<b>CAAs</b>	<b>PubCAAs</b>	<b>SCAOs</b>
1 Written Financial Policies and Procedures	X		X
2 Budgeting Procedures	X		X
3 Accounting Procedures	X		X
4 Cash Receipts	X		X
5 Cash Disbursements	X		X
6 Payroll	X		X
7 Financial Reporting and Auditing	X		X
8 Travel	X		X
9 Procurement	X		X
10 Other Financial Management Issues	X		X
11 Governing/Advisory Board's composition, oversight, and operations	X	X	X
12 Personnel Policy and Procedures	X		X
13 The Agency's long-range or strategic planning process	X	X	X
14 Client Files	X	X	X
15 The Agency's process for evaluating the effectiveness of its programs and services	X	X	X
16 The Agency's use of an effective community needs assessment in planning, designing, and prioritizing program services and strategies	X	X	X
17 Staff Interviews	X	X	X

## **F. RISK ASSESSMENT MATRIX**

The considerations in Section E will be used along with this risk assessment matrix of each sub-recipient based on the following types of factors:

<b><u>OVCS RISK ASSESSMENT MATRIX</u></b>				
FACTOR	ISSUE	RISK LEVEL	DATE RESOLVED	POST-RISK LEVEL
Past history of organization performance		1		
Resolution of prior site visits and findings		1		
Compliance issues		2		
Adequacy of reports—program and financial		4		
Timeliness of reports and audits		3		
Program performance (quality of activities and accomplishments, outcomes achieved, and responsiveness)		4		
Audit findings (A-133 or state reviews)		2		
Adequacy and stability of management		1		

**2.25**

**\*\* Risk Level: 1.0 - 1.9 = Low; 2.0 - 2.9 = Moderate; 3.0 - 3.9 = High 4.0 = Extremely High \*\***

Assessed By: \_\_\_\_\_

Date: \_\_\_\_\_

**G: WRITTEN NOTIFICATION OF INITIAL VISIT TO**  
**SUB-RECIPIENT**

## Summary of OVCS Monitoring Procedures

### Overview

Federal guidelines require that the Virginia Office on Volunteerism and Community Services monitor each local community action agency at least once every three years to ensure performance goals, administrative standards, financial management requirements, and other state requirements are met. As a result, OVCS monitoring team members will look at far more than compliance with program rules and regulations. Rather, OVCS monitors will take a systems view of each agency, noting the quality of service delivery and program operations throughout the agency. OVCS views its monitoring activities as part of a process to strengthen local agencies and the entire community action network. OVCS will use the results of its on-site monitoring reviews to identify training and technical assistance needs unique to each agency, to provide the agency with both an early warning system and best practices catalog, and to identify areas where training and/or technical assistance might increase the capacity and performance of the entire network. OVCS has also set a goal of completing on-site monitoring visits at each local community action agency every two years rather than the three-year minimum. **This goal is contingent on available OVCS staffing.**

The monitoring team will usually consist of either one or two OVCS staff members depending mostly on the size of your agency. The on-site visit will occur over a two and a half day period. We anticipate beginning each day at 9:00 a.m. If you desire it, we can end the review with an informal exit conference to briefly outline our findings. You will receive a written monitoring report whether or not an exit conference is held.

OVCS will use a standard monitoring instrument to ensure each review is consistent with other reviews and comprehensive in examining all of the agency's management and governance systems. See attached copy of instrument. On-site monitoring reviews include a Desk Review, a Financial Management Review Instrument, a Board of Directors Interview, a Management Team Interview, and a Staff Focus Group.

OVCS will complete the Desk Review portion of the monitoring instrument prior to the on-site visit. The Financial Management Review Instrument will be completed by interviewing the Chief Financial Officer and examining a number of financial records. If possible, we recommend that the Treasurer of the Board of Directors participate in this interview. The Board of Directors interview examines governance functions and operations. Completion of that portion of the review requires that we interview at least three members of your Board, including the Board Chair and two other members. The Board of Directors interview can take place anytime during the first two days or evenings of our visit. The Management Team Interview should include the Executive Director, Finance Director, Chief Planner, Human Resources Manager or Director, operations directors, or managers, and/or other management level personnel able to address questions related to your agency's various management systems. Finally, our on-site review will include a Staff Focus Group that consists of a series of open-ended questions directed to no more than eight direct services staff members.

The on-site monitoring review will also involve the examination of agency documentation and records. As a result, we will need to have access to your financial files, personnel files, and client files.

### Financial Management Review

In the area of financial management, we will randomly select one month's Federal CSBG, State CSBG, and TANF reimbursements for review of documentation supporting those expenditures. If problems are found during that examination, we may need to request documentation for additional months' expenditures. We will also need to see any contracts the agency has executed for professional services and documentation that shows agency policies governing the procurement of non-expendable property, goods, and services have been correctly implemented. We also need to see documentation of liability, bonding, and vehicle insurance coverage. We will review your documentation demonstrating that a physical inventory has been completed and that the physical inventory has been reconciled with agency inventory records. If there were any findings or recommendations in your last A-133 audit, we will review your documentation pertaining to whatever corrective action has occurred.

### General and Program Review

In the area of general and program administration, we will randomly select some client files and personnel files to review. We will need to see documentation of your needs assessment and any public hearing or meetings that were held to solicit input pertaining to the needs assessment. If you administer a Head Start program, we will need a copy of your latest Head Start PRISM, and if applicable, corrective action plans, and documentation that your corrective action plan has been implemented. We also need copies of monitoring reports issued by any other public funding source. If you are experiencing any problems, findings, and/or disputes with funding sources other than CSBG, we will need to see all correspondence and/or reports pertaining to those issues.

### Issuance of Monitoring Report

OVCS will issue a written report within 60 days of the on-site visit. Issuance of the final report will begin by the emailing of a draft copy to the agency's Executive Director to give the agency an opportunity to check facts or clarify findings. The Executive Director will then have five working days to respond to the draft report, after which, the Monitoring Report will be finalized and mailed to the Board Chair and the Executive Director. The Final Monitoring Report may include the following: "Findings", "Weaknesses", and "Recommendations". "Findings" will include instances of non-compliance with statutes, regulations, policies, or procedures established by the agency itself, the Commonwealth of Virginia, or federal agencies. "Weaknesses" will include conditions that have the potential to lead to problems for the agency including deficiencies in agency management and governance systems. "Recommendations" will include "best practices" that can contribute to increased agency effectiveness.

### Corrective Action Response and Plans

Agencies will be required to submit an approved Corrective Action Plan no later than 60 days after issuance of the Final Report. They are required to share copies of the Final Monitoring Report with all members of the Board of Directors. Likewise, the agency's Corrective Action Plan shall also be shared with and approved by the Board. If it is impossible for the entire Board to approve the Corrective Action Plan within the 60-day period because of its meeting schedule, the Executive Committee can approve it subject to Board review and approval later.

OVCS will screen agency Board Meeting minutes to confirm that the Board reviewed the monitoring report and approved the corrective action plan. The agency's Corrective Action Plan should respond to each finding, weakness, or recommendation contained in the Monitoring Report. Corrective action plans shall include a description of the action to be taken and a date for completion of each corrective action. A progress report on each action taken would accompany each quarterly report until all issues are resolved.

#### Follow-Up Reviews

The nature of follow-up reviews depends on the number and seriousness of the findings and weaknesses identified in the monitoring report. When findings and weaknesses are few and/or minor, the follow-up review may be accomplished by mail (i.e. – submission of a document or written policy). When findings and weaknesses are numerous and/or major, a follow-up on-site visit will be conducted to verify and document implementation of the corrective action plan. In these instances, OVCS may also determine that increasing the frequency of monitoring reviews to annual on-site visits is justified.

If a follow-up is needed, a progress report on each cited issue would accompany each quarterly report until all issues are resolved.

#### Plan for Inadequate Responses

If an agency is determined to be out of compliance in any area, OVCS is required by federal law to provide technical assistance to correct the problem. If an agency is unable or unwilling to correct identified deficiencies, OVCS implements a process outlined in federal and state law that can result in the suspension of CSBG funds, or even the Governor rescinding an agency's designation as a community action agency.

#### Summary

While The CSBG Act of 1998 requires the State CSBG office to monitor local community action agencies, the fact is, it is also a good business practice because it can help you to continually improve your operations, services, and outcomes as you strive to end poverty in your community. Monitoring is but one of many tools available to strengthen agencies' capacity and outcomes. Local agency self-assessments, the national Community Action Partnership's Standards of Excellence, Virtual CAP, training and technical assistance, peer-to-peer exchanges are all tools that are essential to maintaining and strengthening agency capacity. The Virginia Office on Volunteerism and Community Services believes that it is important to maintain a strong partnership between our office, the Virginia Community Action Partnership, and local community action agencies; a partnership that builds capacity at the local level and that provides training and technical assistance so the network can excel in its work. To that end, we are committed to working with VACAP and the community action network to provide quality training and technical assistance that addresses whatever findings and weaknesses are identified by our monitoring reviews.

Date:

To:

From:

Subject: CSBG On-Site Monitoring Review

Federal guidelines require that the Virginia Office on Volunteerism and Community Services monitor each local community action agency at least once every three years. In accordance with those requirements, we have scheduled an on-site monitoring review of XYZ CAA for Thursday, January 23, 2008, and so I am writing to confirm those dates.

I have attached the following three documents: Summary of OVCS Monitoring Procedures, Agency Management Systems Instrument, and the Financial Management Instrument.

Our on-site monitoring reviews now include a Management Team Interview, a Board of Directors Interview, and a Staff Focus Group. See the attached Summary of OVCS Monitoring Procedures and the Agency Management Systems Instrument for detailed information about the group interviews. These three group interviews need to be scheduled for any two-hour period during the first two days of our visit. The Board of Directors interview can be scheduled during the day or evening of those first two days. In addition, the Financial Management review will take one full day including time for a review of financial records. If you desire one, an exit conference can be held on the third day.

Please contact us no later than Friday, January 15<sup>th</sup> with a schedule showing the day, time, and location for the three group interviews.

I look forward to learning more about the programs being administered by agency and the important services being provided to low-income families in your service area.

Please contact me if you have any questions pertaining to our on-site monitoring review.

**H: STANDARD MONITORING TOOLS FOR CAAs**

**OVCS MONITORING INSTRUMENT FOR CAAs**

**AGENCY MANAGEMENT SYSTEMS**

**PART 1: DESK REVIEW**

Agency \_\_\_\_\_

Date \_\_\_\_\_

Reviewers \_\_\_\_\_

---

---

**REQUIRED DOCUMENTATION**

<u>ITEM</u>	<u>STATUS</u>	<u>COMMENTS</u>
<i>Fiscal Procedures</i>	Date last amended _____	_____
<i>Personnel Policy</i>	Date last amended _____	_____
<i>EEO/Affirmative Action</i>	Date last amended _____	_____
<i>Articles of Incorporation</i>	Date last amended _____	_____

**Comments:** \_\_\_\_\_

**GOVERNING/ADVISORY BOARD**

**Board By-laws** \_\_\_\_\_ **Date last amended** \_\_\_\_\_

**Comments:** \_\_\_\_\_

*Are board structure and selection process in compliance with federal law?*

Yes \_\_\_\_ No \_\_\_\_

**Comments:** \_\_\_\_\_

*Are procedures specified for dealing with groups that feel underrepresented?*

Yes \_\_\_\_ No \_\_\_\_

**Comments:** \_\_\_\_\_

**Board Vacancies as of \_\_\_\_\_**

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**According to the agency's By-Laws, how often should the board be meeting? Did the Board comply with that meeting schedule over the last year?**

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**Dates for Board minutes over the last year on file with OVCS \_\_\_\_\_**

**Comments on Board minutes:** \_\_\_\_\_  
\_\_\_\_\_

**Date of most recent audit report: \_\_\_\_\_**

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**Were there any findings? Yes \_\_\_\_ No \_\_\_\_**

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**If a corrective action plan was required, has it been submitted? Yes \_\_\_\_ No**

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**Have program and fiscal reports been timely, accurate, and complete? Yes \_\_\_\_ No**

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**OTHER COMMENTS/OBSERVATIONS**

\_\_\_\_\_  
\_\_\_\_\_

**OVCS MONITORING INSTRUMENT  
PART II: BOARD OF DIRECTORS FOCUS GROUP**

Agency \_\_\_\_\_

Date \_\_\_\_\_

Reviewers \_\_\_\_\_

---

Person(s) Interviewed \_\_\_\_\_

---

*What steps does the board take to ensure the agency remains in compliance with 1/3, 1/3, 1/3 structure, etc.? Compliance with term limits? How is compliance documented?*

*Does the Board have written procedures that document a democratic selection process of electing low-income board members?*

Describe the democratic selection procedures you use to select low-income representatives.

**Review documentation.**

*What orientation have you received as a member of this Board? What information and/or documents were provided at orientation? How often and what kind of additional training has been provided?*

*In what ways does the Board use ROMA (outcomes/results) in evaluating Agency performance?*

*Describe the Committee Structure used by the Board to fulfill its responsibilities.*

***Describe the Board's role in developing and reviewing the Agency's Strategic Plan. How often? Have you used the services of a ROMA certified trainer (or equivalent) to assist in the implementation of the Strategic Plan?***

---

---

***How is the Agency's community needs assessment utilized in the agency's planning system?***

---

---

***How does the Board ensure and monitor the implementation of the Agency's Strategic Plan?***

---

---

***How often does the Board review the organization's mission statement to ensure that it addresses poverty and that the programs offered are in alignment with the mission?***

---

---

***Has the Board approved a written succession plan for senior management (at minimum this should cover the CEO/ED and the CFO/Director of Finance)? What does the plan cover? When was this plan last reviewed and/or updated? (review plan)***

---

---

***How is the Board involved in developing the resources needed for Agency and program operations?***

---

---

***How often does the Board conduct an agency-wide risk assessment? Describe the Board's procedure for completing the risk assessment.***

---

---

*As a member of the Board, have you completed a conflict of interest disclosure statement? How often is this done and where are the copies retained?*

---

---

*How often does the Board review and update the Agency's Financial Policy/Procedures? How is that accomplished? When was this review last completed?*

---

---

*How often does the Board review and update the Agency's written procurement policy? When was this review last completed?*

---

---

*Describe how the Board reviews the Agency's Annual Budget and Audit Report?*

---

---

*Describe how the Board participates in creating and implementing an action plan in response to findings on the Audit Report and/or program monitoring reports?*

---

---

*Describe how the Board monitors the Agency's financial performance (i.e. – compare expenditures to budget, revenue received, and cash flow situation).*

---

---

*How often does the Board review the Agency's Personnel Policies? How is that accomplished? When was this review last completed?*

---

---

*When did an attorney last review the Agency's Personnel Policies?*

---

---

***How often does the Board review the Agency's salary scale/structure? How is that accomplished? When was this review last completed?***

---

---

***Does the Board monitor staff development/training needs, plans, and outcomes? If so, how and when?***

---

---

***Describe how the Board evaluates or oversees the evaluation of Agency program performance? What Agency programs have been evaluated during the last two years? (Review evaluation reports)***

---

---

---

***Describe how the Board evaluates the performance of its Executive Director. When was the last performance review completed? How does the Executive Director's performance review relate to the Agency's strategic goals and expected outcomes? (Review last completed performance review)***

---

---

---

***Describe how the Board plans its own work and evaluates its own performance?***

---

---

---

***Does the Board have an attendance policy? How is this policy implemented?***

---

---

***How often does the Board review its Agency By-Laws and Articles of Incorporation? How is this review conducted? When was this review last completed?***

---

---

*If over the last year the Board failed to follow the schedule of meeting outlined in its By-Laws, what action(s) are being taken to correct the situation?*

---

---

**PART III: MANAGEMENT TEAM INTERVIEW**

Note: In addition to the Executive Director, the management team interviewed should include the agency’s chief planner, finance director, human resources manager, operations director/manager, and/or other management-level personnel able to address the questions and issues outlined below.

**Person(s) Interviewed** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

A. Needs Assessment Process

*Describe the agency’s Community Needs Assessment process including its frequency, how existing resources are evaluated, what demographic and/or census data is utilized, and how the Board is involved. \*Review Needs Assessment package that was presented to the Board and/or other documentation.*

---

---

---

*How do the agency’s service priorities reflect the findings of the needs assessment?*

---

---

*How has the menu of agency programs and services changed over the last five years? If they are substantially unchanged, why?*

---

---

*What steps does the agency take to communicate its activities and results to the community?*

---

---

**B. Administration & General Operations**

*Describe the agency's system for monitoring programs.*

---

---

*Describe the agency's written policy for safeguarding the confidentiality of client records and explain how it is enforced. (Review policy)*

---

---

*How is income eligibility for services verified? (Review client files)*

---

---

---

*What is the agency's policy on retention of client records? (Review client files)*

---

---

*Describe the agency's disaster recovery (or business resumption) plan. When was the plan last reviewed? (Review written plan)*

---

---

---

*Does the agency have available for public inspection the documents required by IRS? (Review documents)*

---

---

---

*Describe the agency's procedures for referrals, intake, etc.*

---

---

---

*How is information on child support enforcement services made available?*

---

---

---

*How do you ensure that no CSBG funds are used for any partisan or non-partisan political activities, voter registration activities, or to provide voters with transportation to the polls or similar assistance?*

---

---

*How do you ensure that no person is excluded from participation in or denied the benefits of any program or activity supported with CSBG funds on the basis of race, color, national origin, or gender?*

---

---

*Does the agency contract out any client services? (Review contracts)*

---

---

*Do contracts with sub-grantees include ROMA and appropriate state requirements? (Review contracts)*

---

---

*Describe the system used to track and report services that clients receive? How is this tracked?*

---

---

*When did the agency last analyze the outcome data? How was this analysis conducted?*

---

---

*How is ROMA (outcome data) used in management and decision-making processes?*

---

---

---

**C. Human Resource Management**

*Does the Organization Chart reflect current agency structure, program responsibilities, and the comprehensive list of programs?*

---

---

---

*How are current job descriptions for all personnel maintained and regularly updated?*

---

---

---

*How does the agency ensure that performance evaluations are conducted regularly?*

---

---

*Is an agency-wide payscale used?*

---

---

*How are personnel made aware of personnel policies (grievance, EEO)?*

---

---

---

*Do new employees receive orientation? How is this accomplished? How soon after hire date is this done?* \_\_\_\_\_

\_\_\_\_\_

*Describe the agency's approach to staff training and professional development.*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Describe the agency's formal recruitment process.*

\_\_\_\_\_

\_\_\_\_\_

*Describe the agency's utilization and source(s) of volunteers. How are volunteer hours tracked and documented?*

\_\_\_\_\_

\_\_\_\_\_

**Review personnel folders for consistency, completeness, etc.**

*Describe your agency's system for communicating its mission, strategic objectives, plans, policies, and financial status to staff.*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

D. Program Management

***Program evaluation – how does agency determine whether programs are effective? How does the Board participate in this process?***

---

---

---

***How does the agency secure feedback from participants/clients pertaining to program effectiveness and the quality of agency services?***

---

---

---

**Review of client files – intake form, supporting records, verification of income, etc.**

***Is the agency involved in any crime watch or neighborhood policing activities?***

---

---

***If agency operates a Head Start program, are there any unresolved problems/issues?***

---

---

---

***Please provide a copy of the Agency's most recent Head Start PRISM!***

***What other agency programs have been monitored or evaluated by their funding source(s) within the last 2 years? (Secure copies of program monitoring/evaluation reports)***

---

---

---

*Linkages & Coordination – please share some examples of how you coordinate and/or link your services with those of local departments of social services, WIA One Stop programs, and other organizations that assist low-income persons in achieving self-sufficiency so as to ensure effective delivery of services and to avoid duplication of efforts?*

---

---

---

*Describe any major resource development activities undertaken during the past two years.*

---

---

---

*Has your agency lost any program funding over the last two years? If so what funding and why/how was it lost?*

---

---

---

*Are there currently any problems/disputes with funding sources (other than CSBG)?*

---

---

---

**E. General Issues**

*What types of unmet training needs or technical assistance needs does your agency have?*

---

---

---

*How could Virginia's Office of Community Services better support or assist you?*

---

---

---

*What would you like us to know about your agency that we didn't ask?*

---

---

---

*Review of facilities (tour)*

---

---

---

**CONCLUDING REMARKS, OBSERVATIONS**

---

---

---

---

## PART IV: Staff Focus Group

CAA Name: \_\_\_\_\_ Date/Time: \_\_\_\_\_

OVCS Staff: \_\_\_\_\_

Names and Titles of Local CAA Staff Present:

Name \_\_\_\_\_ Title: \_\_\_\_\_

### Purpose and Scope of the Staff Focus Group

The purpose of the Staff Focus Group is to learn about the services that the agency offers to participants and the management systems that are in place to support the delivery of those services. The focus group should involve no more than 8 direct services staff members from a variety of service areas.

The discussion is intended to be informal (like a chat). The questions are mainly open-ended to encourage discussion. Note that a series of bulleted prompts follows most questions. Just let the discussion flow but make sure all areas (bullets) are covered. We expect the discussion to last approximately two hours.

OVCS staff will facilitate the group and may request a note-taker. The Staff Focus Group discussion will be used to confirm the effectiveness of the agency's management systems.

## Staff Focus Group

The purpose of this focus group is to learn how your agency operates on a daily basis. We know that each of you contributes to community action programs and we want to learn about your experience of working in this agency.

1. Let's start by introducing ourselves. As you introduce yourself, please share how you became a staff person.
2. **Program Activities.** Let's talk about the programs or project with which you work.
  - What part do you play in the delivery of these services? Please describe how you work with participants or clients.
  - What outcomes do you track for your program(s)? How will you tell that your program has succeeded?
  - How do you learn about your program's policies and procedures? How are changes to those policies and procedures communicated to you?
  - In what ways has your program changed in the last two years?
3. **Human Resources.** Now I would like to hear about what it's like to be a staff member here.
  - What sorts of support do you get through the program and/or from the agency to help you do a better job? (Support can include on or off-site training sessions, conference or meeting attendance, as well as coaching or mentoring activities.)
  - How often does your supervisor meet with you? When did your supervisor last evaluate your performance? Do you have a copy of or access to the agency's personnel policies? Describe agency procedures for making suggestions and filing complaints or grievances.
4. **Fiscal Management.** Let's talk briefly about the agency's fiscal management, and how you are involved in fiscal matters.
  - How are fiscal decisions communicated to you?
  - What procedures do you follow when you need to purchase goods or services for your program?
  - What financial information or issues are shared with you? How is it communicated?
5. **Information Management Systems.** Do the agency's information management systems help you to provide more comprehensive participant services?
  - Do you receive the support you need to adequately use the agency's software and computer systems? How is that support provided? What other support could you use?
6. **General Issues.** What things do you like best about working for this agency? What things do you like least? What do you think is this agency's greatest strength? What do you think is this agency's greatest weakness?

Thank you for your time and input today. As we close this focus group, would you each describe a strength of your program or project and something about the program you feel could improve the quality of services to participants?

## ***FINANCIAL MANAGEMENT MONITORING INSTRUMENT***

*Agency:* \_\_\_\_\_

*Monitor(s):* \_\_\_\_\_ *Date of site visit:* \_\_\_\_\_

*Person(s) interviewed:* \_\_\_\_\_

### **Written Financial Policies and Procedures**

<i><b>Requirement</b></i>	<i><b>Data Gathering Procedure</b></i>	<i><b>Comments</b></i>
Date of most recent revision to the agency's written financial policies/procedures:	Review financial Procedure manual	
How frequently does the agency review its Financial Policies and Procedures? How does the agency document these policy/procedure reviews?	Review documentation of most recent review	
Do these written policies and procedures clearly define duties of financial personnel and establish lines of authority for various fiscal operations?	Review Financial procedures manual, job descriptions, interview fiscal staff to ascertain if job descriptions are followed	

### **Budgeting Procedures**

How is the comprehensive or agency-wide budget prepared and approved?	Secure copy of most recent comprehensive budget.	
-----------------------------------------------------------------------	--------------------------------------------------	--

How does the agency use its comprehensive or agency-wide budget to monitor and analyze agency expenditures and revenues during the fiscal year?	Interview fiscal staff. Interview management team.	
How often is this budget analysis conducted? Who reviews and/or approves this budget analysis? Do the written policies/procedures reflect this process?	Interview fiscal staff.	

### Accounting Procedures

What accounting software does the agency use? Is the software and financial data therein password protected? Who has access to this data?	Interview fiscal staff.	
How does the agency protect its financial data from disasters or computer system failures?	Interview fiscal staff.	
Are inter-fund transfers allowed? If so, how are these transfers recorded and reconciled?	Interview fiscal staff.	

### Cash Receipts

How are cash receipts handled by the agency? Identify the steps and personnel responsible for each step in handling, recording, and depositing cash receipts.	Interview fiscal staff.	
---------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------	--

How and when and how are electronic deposits recorded in the general ledger?	Interview fiscal staff. Review sample entries in GL.	
How are bank statements reconciled to the general ledger? Identify the steps and personnel responsible for this reconciliation. Who reviews and/or approves this reconciliation? Are they completed, reviewed and/or approved on a monthly basis.	Interview fiscal staff.  Review reconciliation worksheets or documents.	
Do the agency's written financial procedures reflect these practices?	Review written procedures.	

### Cash Disbursements

What forms or documents are used to request and justify cash disbursements?	Interview fiscal staff.	
Who initiates, reviews, and/or approves cash disbursements? On what basis are these requests approved?	Interview fiscal staff.	
How many signatures are required on agency checks?	Interview fiscal staff.	
Who is authorized to sign checks? What procedures are followed to remove persons no longer authorized to sign checks?	Interview fiscal staff.	

<p>Are all checks pre-numbered? Where and how are blank checks stored? Who has access to blank checks?</p>	<p>Interview fiscal staff.</p>	
<p>What supporting documents are presented with checks for signature?</p>	<p>Interview fiscal staff. Review a sample of disbursement supporting documentation.</p>	
<p>If signature plates are used, how are these disbursements prepared, reviewed and approved?</p>	<p>Interview fiscal staff.</p>	
<p>How are voided checks handled?</p>	<p>Interview fiscal staff.</p>	
<p>Other than payroll and payroll related expenses, are any funds disbursed electronically? If so, how are these electronic disbursements initiated, reviewed, approved, and executed?</p>	<p>Interview fiscal staff.</p>	
<p>How many agency-issued credit cards does the agency have? What are the credit limits on these credit cards? Who has access to these credit cards? Who is authorized to use them? What procedures are utilized to control and reconcile the use of these credit cards?</p>	<p>Interview fiscal staff. Obtain list of cards, card holders, and credit limits.</p>	
<p>Is the CEO or Executive Director issued an agency credit card? If so, how is the Board of Directors involved in reviewing and/or approving credit card expenditures incurred by the CEO/Executive Director?</p>	<p>Interview fiscal staff.</p>	

Do the records contained in the General Ledger and accounts payable tie back to the CSBG invoices submitted to OVCS?	Review invoice as submitted and backup documents including GL report and invoices/journal entries.	
Under what circumstances or thresholds does the Board of Directors approve specific disbursement transactions?	Interview fiscal staff.	
Does the agency's written financial procedures manual reflect the practices outlined above?	Compare interview responses to written procedures?	

### Payroll

Does the agency have a board approved salary/wage scale or range? When was this salary/wage scale or range last reviewed and approved by the Board?	Interview fiscal staff and management team.	
When was a salary/wage comparability study last completed and reviewed by the board?	Interview fiscal staff and management team.	
Who authorizes staff wage or salary rates?	Interview fiscal staff. Compare a sample of wage/salary rates in the payroll system to salary authorization documentation in personnel files.	
Select a sample of payroll transactions and verify that each is supported by time/activity sheets.	Review payroll records.	
How does the agency handle and control overtime wages?	Interview fiscal staff and/or management team.	

Are pay advances permitted? If so, under what circumstances and limitations are they permitted? If permitted, how does the agency ensure pay advances are recovered?	Interview fiscal staff.	
Are employees paid by check, direct deposit or both? Are any employees paid in cash?	Interview fiscal staff.	
Who signs payroll checks?	Interview fiscal staff.	
How are payroll payments made by direct deposit reviewed and/or approved?	Interview fiscal staff.	
Who posts payroll information to the general ledger?	Interview fiscal staff.	
Is a separate bank account maintained for payroll? If so, how and by whom is the payroll account reconciled to the general ledger?	Interview fiscal staff.	
Who distributes payroll checks?	Interview fiscal staff.	
How does the agency ensure that employee withheld taxes are remitted to the IRS and the Virginia Dept. of Taxation in a timely manner?	Interview fiscal staff.	

How does the agency ensure that retirement benefit payments are remitted to the appropriate trustee in a timely manner?	Interview fiscal staff.	
-------------------------------------------------------------------------------------------------------------------------	-------------------------	--

**Financial Reporting and Auditing**

How frequently are financial reports presented to the board and/or board committees? Does the financial report(s) include both expenditure and revenue data? Who presents and answers questions pertaining to these financial reports?	Interview fiscal staff. Secure a sample copy of financial report(s) submitted to the Board.	
How does the board's financial report enable the board to monitor expenditures and revenues outlined in the agency's comprehensive or agency-wide budget?	Interview fiscal staff. Interview board treasurer (if possible).	
How does the agency select and secure an audit firm to conduct its annual audit? Who is involved in this process? How frequently does the agency put its audit services out for bid?	Interview fiscal staff. Review auditing services contract.	
For how many years has the agency's current audit firm been performing its annual audit?	Interview fiscal staff. Review audit tracking file.	

<p>Have the agency's audit reports for the last three years been submitted to OVCS in a timely manner (within 9 months of the close of the agency's fiscal year)?</p>	<p>Review audit tracking file.</p>	
<p>How is the board and/or board committees involved in reviewing the audit report and resolving any reportable conditions or instances of noncompliance?</p>	<p>Interview fiscal staff. Interview board treasurer (if possible).</p>	
<p>Did the agency's last audit report (including any management letter) contain any reportable conditions, instances of noncompliance, question costs, or recommendations for improving the agency's internal controls or financial management system? If so, were those conditions and/or recommendations implemented?</p>	<p>Interview fiscal staff. Review most recent audit report and documentation of corrective actions.</p>	
<p>Does the latest audit show a ratio of current assets to current liabilities of less than "1"?</p>	<p>Review most recent audit report.</p>	
<p>Does the latest audit report show sufficient cash to cover three months of salary/fringe benefit costs?</p>	<p>Review most recent audit report.</p>	
<p>Does the agency utilize any lines of credit? If so, for what purpose(s)? How much interest did the agency pay on its lines of credit during the last fiscal year? What source(s) of funds were used to pay these interest charges?</p>	<p>Interview fiscal staff. Review documentation supporting source of funds that paid interest charges.</p>	

Do the written financial policies and procedures reflect the agency's financial reporting and auditing practices?	Review written financial policies and procedures.	
-------------------------------------------------------------------------------------------------------------------	---------------------------------------------------	--

**Travel**

Does the agency's written financial policies and procedures manual include policy related to travel expenses and reimbursements?	Review written financial policies and procedures.	
How is staff travel, particularly out-of-town or overnight travel, authorized, reviewed and approved? Does a board member routinely review travel expenses incurred by the CEO?	Interview fiscal staff.	
On what basis are travel, lodging, meals, and incidental expenses reimbursed?	Interview fiscal staff.	
How many vehicles does the agency own or lease? For what purpose(s) are they used?	Interview fiscal staff.	
How does the agency ensure the vehicle(s) are used only for official agency business? How does the agency ensure the vehicle(s) are maintained?	Interview fiscal staff.	
Is staff allowed to drive agency-owned or leased vehicles home? If so, is that vehicle use treated as a fringe benefit and reported as such to the IRS? If not, why?	Interview fiscal staff.	

How often are staff members who use agency vehicles or who transport clients required to provide a DMV report to the agency? How are DMV reporting requirements tracked?	Interview fiscal staff.	
How does the agency ensure that staff members who transport clients are not under the influence of alcohol or drugs (prescription and illegal)?	Interview fiscal staff.	
Does the agency's written financial policies and procedures manual reflect its practice in managing travel costs?	Review financial manual.	

### Procurement

How does the agency ensure that all equipment, supplies, and services are procured in an open, free, and competitive manner?	Interview fiscal staff.	
Have any sole source purchases occurred in the last year? If so, review documentation supporting the reasons.	Interview fiscal staff. If applicable, review sole source documentation.	
How does the agency ensure its purchases are allowable and reasonable?	Interview fiscal staff.	
How does the agency promote the involvement of minority- and women-owned businesses in its procurement processes?	Interview fiscal staff.	

How does the agency allocate procurement costs for equipment purchased by multiple grants or used by multiple programs?	Interview fiscal staff.	
Is the agency currently purchasing any professional services?	Interview fiscal staff. Review service contracts.	
How does the agency maintain its inventory records? How frequently and through what procedures are the agency inventory records compared to an actual physical inventory?	Interview fiscal staff.	
Does the agency's written financial policies and procedures manual reflect its practice in procuring goods and services?	Review financial manual.	

### **Other Financial Management Issues**

Does the agency carry general liability, bonding or theft liability, vehicular liability coverage, and officers and directors liability insurance coverage?	Interview fiscal staff. Review or request insurance certificates for adequate and current coverage.	
What education and/or experience qualifies the agency's chief financial officer to perform his/her duties?	Interview fiscal staff.	
What classes, workshops, or training has the chief financial officer completed in the last 3 years?	Interview fiscal staff.	
How does the agency allocate its administrative and/or common costs to the various grants and funding sources it receives?	Interview fiscal staff.	

<p>If the agency charges indirect costs, are these costs supported by a current negotiated indirect cost rate?</p>	<p>Interview fiscal staff. If yes, review relevant correspondence from cognizant federal agency.</p>	
<p>If the agency does not have an approved indirect cost rate what sort of allocation plan does the agency use? How was the plan developed?</p>	<p>Interview fiscal staff. Review plan.</p>	
<p>Does the agency's written financial manual reflect these practices?</p>	<p>Review financial manual.</p>	

**I: FINANCIAL AND ADMINISTRATIVE MONITORING TOOLS**  
**FOR PubCAAs**

**OVCS MONITORING INSTRUMENT – PUBLIC CAAS**

**AGENCY MANAGEMENT SYSTEMS**

**PART 1: DESK REVIEW**

**Agency** \_\_\_\_\_

**Date** \_\_\_\_\_

**Reviewers** \_\_\_\_\_

---

**REQUIRED DOCUMENTATION**

**GOVERNING/ADVISORY BOARD**

*Board By-laws* \_\_\_\_\_ *Date last amended* \_\_\_\_\_

*Comments:* \_\_\_\_\_

---

*Are board structure and selection process in compliance with federal law?*

Yes \_\_\_\_ No \_\_\_\_

*Comments:* \_\_\_\_\_

---

*Are procedures specified for dealing with groups that feel underrepresented?*

Yes \_\_\_\_ No \_\_\_\_

*Comments:* \_\_\_\_\_

---

*Board Vacancies as of* \_\_\_\_\_

*Comments:* \_\_\_\_\_

---

*According to the agency's By-Laws, how often should the board be meeting? Did the Board comply with that meeting schedule over the last year?*

*Comments:* \_\_\_\_\_  
\_\_\_\_\_

*Dates for Board minutes over the last year on file with OVCS* \_\_\_\_\_

*Comments on Board minutes:* \_\_\_\_\_  
\_\_\_\_\_

*Have program and fiscal reports been timely, accurate and complete?* Yes \_\_\_\_ No

*Comments:* \_\_\_\_\_  
\_\_\_\_\_

*Are reports consistent with the plan and application?* Yes \_\_\_\_ No

*Comments:* \_\_\_\_\_  
\_\_\_\_\_

OTHER COMMENTS/OBSERVATIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**OVCS MONITORING INSTRUMENT**  
**PART II: ADVISORY BOARD - FOCUS GROUP**

---

**Person(s) Interviewed:**

---

<hr/>	<hr/>

*How does the board ensure that it remains in compliance with 1/3, 1/3, 1/3 structure, etc.?*

---

---

*Describe the democratic selection procedures you use to select low-income representatives. (Review documentation)*

---

---

*What orientation have you received as a member of this Board? What information and/or documents were provided at orientation? How often and what kind of additional training has been provided?*

---

---

---

*Describe the Committee Structure used by the Board to fulfill its responsibilities.*

---

---

*Describe the Board's role in developing and reviewing the program plan. How is the community needs assessment utilized in program planning?*

---

---

*How does the Board ensure and monitor the implementation of the program plan?*

---

---

*Describe how the Board reviews the Program's Annual Budget?*

---

---

*Describe how the Board monitors the Program's financial performance (i.e. – compare expenditures to budget).*

---

---

*Describe how the Board evaluates or oversees the evaluation of program performance? What role does "ROMA" or outcomes/results play in program evaluations? What agency programs have been evaluated during the last two years? Have you used a ROMA certified trainer (or equivalent) to assist in implementation of the full ROMA cycle? (Review evaluation reports)*

---

---

*Describe how the Board plans its own work and evaluates its own performance?*

---

---

*Does the Board have attendance and conflict of interest policies? How are these policies implemented?*

---

---

*How often does the Board review its By-Laws? When was this review last completed?*

---

---

*Is the Board notified when the local government audit is available?*

---

---

*How often does the Board review the mission statement? How is this review conducted? When was this review last completed?*

---

---

*When did you, as Board Members, receive a copy of the By-Laws and Articles of Incorporation? Was this documented and, if so, how was this done?*

---

---

*If over the last year the Board failed to follow the schedule of meeting outlined in its By-Laws, what action(s) are being taken to correct the situation?*

---

---

## **PART III: MANAGEMENT TEAM INTERVIEW**

---

Note: The management team interviewed should include the program director/manager and/or other personnel able to address the questions and issues outlined below.

**Person(s) Interviewed:**

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**A. Needs Assessment Process**

*Describe the agency's needs assessment process including its frequency, how existing resources are evaluated, what demographic and/or census data is utilized, and how the Board is involved. \*Review Needs Assessment package that was presented to the Board and/or other documentation.*

\_\_\_\_\_

\_\_\_\_\_

*In completing its needs assessment, how does the agency secure the input of low-income people, the board, staff, other service providers, and the general public?*

\_\_\_\_\_

\_\_\_\_\_

*How do the agency's service priorities reflect the findings of the needs assessment?*

\_\_\_\_\_

\_\_\_\_\_

*How has the menu of agency programs and services changed over the last five years? If they are substantially unchanged, why?*

---

---

**B. Administration & General Operations**

*Describe the agency's approach in providing CSBG-funded services and programs. (i.e. – direct client services versus purchase of service contracts)*

---

---

*Describe the agency's written policy for safeguarding the confidentiality of client records and explain how it is enforced. (Review policy)*

---

---

*How is income eligibility for services verified? (Review client and/or monitoring files)*

---

---

*What is the agency's policy on retention of client records? (Review client and/or monitoring files)*

---

---

*If the agency sub-contracts with other community organizations or service providers, review the subcontract being utilized. (Are required VDSS contract provisions passed on to subcontractors?)*

---

---

*What process or procedures are used in selecting subcontractors to provide services?*

---

---

*Describe the reports the agency receives from its sub-contractors. How does the agency track family, agency and/or community outcomes? How often are these outcomes analyzed? (review sample of reports)*

---

---

*How do you ensure that program participants not receiving child support are referred to child support enforcement?*

---

---

*In what ways are outcomes, results, and performance used in management and decision-making processes?*

---

---

*Describe the agency's procedures for monitoring sub-contractor performance. (Review sub-contract and monitoring documents/reports.)*

---

---

*How do you ensure that no CSBG funds are used for any partisan or non-partisan political activities, voter registration activities, or to provide voters with transportation to the polls or similar assistance?*

---

---

*How do you ensure that no person is excluded from participation in or denied the benefits of any program or activity supported with CSBG funds based on race, color, national origin, or sex?*

---

---

**C. Human Resource Management**

*How are current job descriptions for all personnel maintained and regularly updated?*

---

---

*How does the agency ensure that performance evaluations are conducted regularly?*

---

---

*Describe the agency's approach to orientation, staff training and professional development.*

---

---

*Describe the agency's utilization and source(s) of volunteers.*

---

---

*Describe your agency's system for communicating its mission, strategic objectives, plans, policies, and financial status to staff and/or subcontractors.*

---

---

*Does the agency adhere to local government's policies and procedures concerning interim appointments and the correct process for filling a vacancy?*

---

---

*Does the agency comply with the local government's risk assessment policies and procedures?*

---

---

D. Program Management

*Program evaluation – how does agency determine whether programs are effective? How does the Board participate in this process?*

---

---

*How is feedback from participants/clients pertaining to program effectiveness and the quality of CSBG contract services secured?*

---

---

*Review of client and/or monitoring files – intake form, supporting records, verification of income, etc.*

*Is the agency/subcontractors involved in any crime watch or neighborhood policing activities?*

---

---

*Linkages & Coordination – please share some examples of how you coordinate and/or link your services with those of local departments of social services, WIA One Stop programs, and other organizations that assist low-income persons in achieving self-sufficiency so as to ensure effective delivery of services and to avoid duplication of efforts?*

---

---

*Please describe some examples of how you communicate the activities and the results of what you do to the community.*

---

---

E. General Issues

*What types of unmet training needs or technical assistance needs does your agency have?*

---

---

*How might Virginia's Office of Community Services better support or assist you?*

---

---

*What would you like us to know about your agency and/or programs that we didn't ask?*

---

---

**CONCLUDING REMARKS, OBSERVATIONS**

---

---

---

---

## ***FINANCIAL/PROGRAM MANAGEMENT***

***Describe your process for preparing this program's budget.***

---

---

***Describe your process for monitoring program expenditures. (i.e. – comparing budget to actual expenditures, etc.)***

---

---

***What documentation does the agency receive from subcontractors to justify CSBG contract expenditures? (If applicable, review a 3 month sample of documentation)***

---

---

***What forms or documents are used to request and justify cash disbursements?***

---

---

***Who initiates, reviews, and/or approves cash disbursements? On what basis are these requests approved?***

---

---

***How frequently are financial reports presented to the board and/or board committees? Does the financial report(s) include both expenditure and revenue data? Who presents and answers questions pertaining to these financial reports?***

---

---

*How does the board's financial report enable the board to monitor expenditures and revenues outlined in the agency's program budget?*

---

---

**J: FINANCIAL AND ADMINISTRATIVE MONITORING TOOLS**  
**FOR SCAOs**

**OVCS MONITORING INSTRUMENT - STATEWIDES**

**AGENCY MANAGEMENT SYSTEMS**

**PART 1: DESK REVIEW**

Agency \_\_\_\_\_

Date \_\_\_\_\_

Reviewers \_\_\_\_\_

**REQUIRED DOCUMENTATION**

<u>ITEM</u>	<u>STATUS</u>	<u>COMMENTS</u>
<i>Fiscal Procedures</i>	Date last amended _____	_____
<i>Personnel Policy</i>	Date last amended _____	_____
<i>EEO/Affirmative Action</i>	Date last amended _____	_____
<i>Articles of Incorporation</i>	Date last amended _____	_____

*Comments:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**GOVERNING/ADVISORY BOARD**

*Board By-laws* \_\_\_\_\_ *Date last amended* \_\_\_\_\_

*Comments:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Are board structure and selection process in compliance with federal law?* Yes \_\_\_ No \_\_\_

*Comments:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Are procedures specified for dealing with groups that feel underrepresented?* Yes  No

*Comments:* \_\_\_\_\_  
\_\_\_\_\_

*Board Vacancies as of* \_\_\_\_\_

*Comments:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*According to the agency's By-Laws, how often should the board be meeting? Did the Board comply with that meeting schedule over the last year?*

*Comments:* \_\_\_\_\_  
\_\_\_\_\_

*Dates for Board minutes over the last year on file with OVCS* \_\_\_\_\_

*Comments on Board minutes:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Date of most recent audit report:* \_\_\_\_\_

*Comments:* \_\_\_\_\_  
\_\_\_\_\_

*Were there any findings?* Yes  No

*Comments:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*If a corrective action plan was required, has it been submitted?* Yes  No

*Comments:* \_\_\_\_\_  
\_\_\_\_\_

---

*Have program and fiscal reports been timely, accurate, and complete?*

Yes \_\_\_\_ No \_\_\_\_

*Comments:* \_\_\_\_\_

---

---

*Are reports consistent with the plan and application?*

Yes \_\_\_\_ No \_\_\_\_

*Comments:* \_\_\_\_\_

OTHER COMMENTS/OBSERVATIONS

---

---

---

---

---

---

---

---

# OVCS MONITORING INSTRUMENT

## PART II: BOARD OF DIRECTORS FOCUS GROUP

Agency \_\_\_\_\_

Date \_\_\_\_\_

Reviewers \_\_\_\_\_

---

Person(s) Interviewed \_\_\_\_\_

---

*What steps does the board take to ensure the agency remains in compliance with 1/3, 1/3, 1/3 structure, etc.? Compliance with term limits? How is compliance documented?*

*Does the Board have written procedures that document a democratic selection process of electing low-income board members? Describe the democratic selection procedures you use to select low-income representatives. (Review documentation)*

*What orientation have you received as a member of this Board? What information and/or documents were provided at orientation? How often and what kind of additional training has been provided?*

*In what ways does the Board use ROMA (outcomes/results) in evaluating Agency performance?*

*Describe the Committee Structure used by the Board to fulfill its responsibilities.*

*Describe the Board's role in developing and reviewing the Agency's Strategic Plan. How often? Have you used the services of a ROMA certified trainer (or equivalent) to assist in the implementation of the Strategic Plan?*

---

---

*How is the Agency's community needs assessment utilized in the agency's planning system?*

---

---

*How does the Board ensure and monitor the implementation of the Agency's Strategic Plan?*

---

---

*How often does the Board review the organization's mission statement to ensure that it addresses poverty and that the programs offered are in alignment with the mission?*

---

---

*Has the Board approved a written succession plan for senior management (at minimum this should cover the CEO/ED and the CFO/Director of Finance)? What does the plan cover? When was this plan last reviewed and/or updated? (review plan)*

---

---

*How is the Board involved in developing the resources needed for Agency and program operations?*

---

---

*How often does the Board conduct an agency-wide risk assessment? Describe the Board's procedure for completing the risk assessment.*

---

---

*As a member of the Board, have you completed a conflict of interest disclosure statement? How often is this done and where are the copies retained?*

---

---

*How often does the Board review and update the Agency's Financial Policy/Procedures? How is that accomplished? When was this review last completed?*

---

---

*How often does the Board review and update the Agency's written procurement policy? When was this review last completed?*

---

---

*Describe how the Board reviews the Agency's Annual Budget and Audit Report?*

---

---

*Describe how the Board participates in creating and implementing an action plan in response to findings on the Audit Report and/or program monitoring reports?*

---

---

*Describe how the Board monitors the Agency's financial performance (i.e. – compare expenditures to budget, revenue received, and cash flow situation).*

---

---

*How often does the Board review the Agency's Personnel Policies? How is that accomplished? When was this review last completed?*

---

---

*When did an attorney last review the Agency's Personnel Policies?*

---

---

*How often does the Board review the Agency's salary scale/structure? How is that accomplished? When was this review last completed?*

---

---

*Does the Board monitor staff development/training needs, plans, and outcomes? If so, how and when?*

---

---

*Describe how the Board evaluates or oversees the evaluation of Agency program performance? What Agency programs have been evaluated during the last two years? (Review evaluation reports)*

---

---

---

*Describe how the Board evaluates the performance of its Executive Director. When was the last performance review completed? How does the Executive Director's performance review relate to the Agency's strategic goals and expected outcomes? (Review last completed performance review)*

---

---

---

*Describe how the Board plans its own work and evaluates its own performance?*

---

---

---

*Does the Board have an attendance policy? How is this policy implemented?*

---

---

*How often does the Board review its Agency By-Laws and Articles of Incorporation? How is this review conducted? When was this review last completed?*

---

---

---

*If over the last year the Board failed to follow the schedule of meeting outlined in its By-Laws, what action(s) are being taken to correct the situation?*

---

---

## PART III: MANAGEMENT TEAM INTERVIEW

---

---

Note: In addition to the Executive Director, the management team interviewed should include the agency's chief planner, finance director, human resources manager, operations director/manager, and/or other management-level personnel able to address the questions and issues outlined below.

**Person(s) Interviewed** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

### A. Needs Assessment Process

*Describe the agency's Community Needs Assessment process including its frequency, how existing resources are evaluated, what demographic and/or census data is utilized, and how the Board is involved. \*Review Needs Assessment package that was presented to the Board and/or other documentation.*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*How do the agency's service priorities reflect the findings of the needs assessment?*

\_\_\_\_\_  
\_\_\_\_\_

*How has the menu of agency programs and services changed over the last five years? If they are substantially unchanged, why?*

\_\_\_\_\_  
\_\_\_\_\_

*What steps does the agency take to communicate its activities and results to the community?*

\_\_\_\_\_  
\_\_\_\_\_

**B. Administration & General Operations**

***Describe the agency's system for monitoring programs.***

---

---

***Describe the agency's written policy for safeguarding the confidentiality of client records and explain how it is enforced. (Review policy)***

---

---

***How is income eligibility for services verified? (Review client files)***

---

---

***What is the agency's policy on retention of client records? (Review client files)***

---

---

---

***Describe the agency's disaster recovery (or business resumption) plan. When was the plan last reviewed? (Review written plan)***

---

---

---

***Does the agency have available for public inspection the documents required by IRS? (Review documents)***

---

---

---

*Describe the agency's procedures for referrals, intake, etc.*

---

---

---

*How is information on child support enforcement services made available?*

---

---

*How do you ensure that no CSBG funds are used for any partisan or non-partisan political activities, voter registration activities, or to provide voters with transportation to the polls or similar assistance?*

---

---

*How do you ensure that no person is excluded from participation in or denied the benefits of any program or activity supported with CSBG funds on the basis of race, color, national origin, or gender?*

---

---

*Does the agency contract out any client services? (Review contracts)*

---

---

*Do contracts with sub-grantees include ROMA and appropriate state requirements? (Review contracts)*

---

---

*Describe the system used to track and report services that clients receive? How is this tracked?*

---

---

*When did the agency last analyze the outcome data? How was this analysis conducted?*

---

---

*How is ROMA (outcome data) used in management and decision-making processes?*

---

---

---

C. Human Resource Management

*Does the Organization Chart reflect current agency structure, program responsibilities, and the comprehensive list of programs?*

---

---

---

*How are current job descriptions for all personnel maintained and regularly updated?*

---

---

---

*How does the agency ensure that performance evaluations are conducted regularly?*

---

---

---

*Is an agency-wide payscale used?*

---

---

*How are personnel made aware of personnel policies (grievance, EEO)?*

---

---

---

*Do new employees receive orientation? How is this accomplished? How soon after hire date is this done?*

---

---

*Describe the agency's approach to staff training and professional development.*

---

---

---

*Describe the agency's formal recruitment process.*

---

---

*Describe the agency's utilization and source(s) of volunteers. How are volunteer hours tracked and documented?*

---

---

**Review personnel folders for consistency, completeness, etc.**

*Describe your agency's system for communicating its mission, strategic objectives, plans, policies, and financial status to staff.*

---

---

---

**D. Program Management**

*Program evaluation – how does agency determine whether programs are effective? How does the Board participate in this process?*

---

---

---

*How does the agency secure feedback from participants/clients pertaining to program effectiveness and the quality of agency services?*

---

---

---

**Review of client files – intake form, supporting records, verification of income, etc.**

*Is the agency involved in any crime watch or neighborhood policing activities?*

---

---

*What other agency programs have been monitored or evaluated by their funding source(s) within the last 2 years? (Secure copies of program monitoring/evaluation reports)*

---

---

---

*Linkages & Coordination – please share some examples of how you coordinate and/or link your services with those of local departments of social services, WIA One Stop programs, and other organizations that assist low-income persons in achieving self-sufficiency so as to ensure effective delivery of services and to avoid duplication of efforts?*

---

---

---

---

*Describe any major resource development activities undertaken during the past two years.*

---

---

---

*Has your agency lost any program funding over the last two years? If so what funding and why/how was it lost?*

---

---

---

*Are there currently any problems/disputes with funding sources (other than CSBG)?*

---

---

---

E. General Issues

*What types of unmet training needs or technical assistance needs does your agency have?*

---

---

---

*How could Virginia's Office of Community Services better support or assist you?*

---

---

---

*What would you like us to know about your agency that we didn't ask?*

---

---

---

*Review of facilities (tour)*

---

---

---

**CONCLUDING REMARKS, OBSERVATIONS**

---

---

---

---

---

## PART IV: Staff Focus Group

CAA Name: \_\_\_\_\_ Date/Time: \_\_\_\_\_

OVCS Staff: \_\_\_\_\_

Names and Titles of Local CAA Staff Present:

Name \_\_\_\_\_ Title: \_\_\_\_\_

### Purpose and Scope of the Staff Focus Group

The purpose of the Staff Focus Group is to learn about the services that the agency offers to participants and the management systems that are in place to support the delivery of those services. The focus group should involve no more than 8 direct services staff members from a variety of service areas.

The discussion is intended to be informal (like a chat). The questions are mainly open-ended to encourage discussion. Note that a series of bulleted prompts follows most questions. Just let the discussion flow but make sure all areas (bullets) are covered. We expect the discussion to last approximately two hours.

OVCS staff will facilitate the group and may request a note-taker. The Staff Focus Group discussion will be used to confirm the effectiveness of the agency's management systems.

## Staff Focus Group

The purpose of this focus group is to learn how your agency operates on a daily basis. We know that each of you contributes to community action programs and we want to learn about your experience of working in this agency.

Let's start by introducing ourselves. As you introduce yourself, please share how you became a staff person.

1. **Program Activities.** Let's talk about the programs or project with which you work.
  - a. ■What part do you play in the delivery of these services? Please describe how you work with participants or clients.
  - b. ■What outcomes do you track for your program(s)? How will you tell that your program has succeeded?
  - c. ■ How do you learn about your program's policies and procedures? How are changes to those policies and procedures communicated to you?
  - d. ■In what ways has your program changed in the last two years?
2. **Human Resources.** Now I would like to hear about what it's like to be a staff member here.
  - a. ■What sorts of support do you get through the program and/or from the agency to help you do a better job? (Support can include on or off-site training sessions, conference or meeting attendance, as well as coaching or mentoring activities.)
  - b. ■How often does your supervisor meet with you? When did your supervisor last evaluate your performance? Do you have a copy of or access to the agency's personnel policies? Describe agency procedures for making suggestions and filing complaints or grievances.
3. **Fiscal Management.** Let's talk briefly about the agency's fiscal management, and how you are involved in fiscal matters.
  - a. ■How are fiscal decisions communicated to you?
  - b. ■What procedures do you follow when you need to purchase goods or services for your program?
  - c. ■What financial information or issues are shared with you? How is it communicated?
4. **Information Management Systems.** Do the agency's information management systems help you to provide more comprehensive participant services?
  - a. ■Do you receive the support you need to adequately use the agency's software and computer systems? How is that support provided? What other support could you use?
5. **General Issues.** What things do you like best about working for this agency? What things do you like least? What do you think is this agency's greatest strength? What do you think is this agency's greatest weakness?

Thank you for your time and input today. As we close this focus group, would you each describe a strength of your program or project and something about the program you feel could improve the quality of services to participants?

**K: DOCUMENTS USED FOR SAMPLE SELECTION**





**L: SAMPLE MONITORING RESULTS REPORT FORMAT**

## CSBG Review Report

Agency: New River Community Action, Inc.

Date: March 26-28, 2013

Reviewer(s): Donalda (Dottie) Avalon

Agency Staff Interviewed: Terry Smusz, Executive Director  
Tammy Pennington, Finance Director  
Glenda Vest, Community Services Program Director  
Ann Angert, Planning Director  
Sheila West, HR Manager / Executive Assistant  
Staff Focus Group

Agency Board Members Interviewed: John McEnhill, Chair  
Nolen Goad, Member  
Corbin Vierling, Member  
Mary Critzer, Member  
Dr. Robert Hendrickson, Secretary/Treasurer

### **Agency Overview**

New River Community Action, Inc. (NRCA) is a private, non-profit community action agency based in Radford, Virginia. NRCA serves the counties of Floyd, Giles, Montgomery, and Pulaski and the City of Radford. NRCA's mission is to promote and support the well-being and self-reliance of individuals, families, and communities. The agency administers a variety of programs including, Headstart, VACARES, Responsible Rides, Renter Education, CHIP, Retired & Senior Volunteer Program, Homebuyer Classes, and Americorps, among many others.

During FY 2012 NRCA managed total resources of \$5.7 million. This includes \$318,488 in a Federal Community Services Block Grant and an additional \$21,476 in Temporary Assistance for Needy Families grant.

Since the time of our last review NRCA has reduced the number of clients served through the HUD Housing Counseling Program do to cuts in funding.

Some staff positions have been reduced to part time or eliminated completely due to funding restrictions.

NRCA has successfully entered into a partnership with area faith based institutions to run a program called "To Our House". This program offers shelter to homeless men during the winter months. The faith based partners actually run the program and NRCA acts as fiscal agent.

## **Governing Board**

NRCA is governed by a sixteen (16) member Board of Directors. As of this date there are three vacancies on the Board.

Agency By-Laws provide for six standing committees: Executive, Finance, Personnel, Membership, Public Relations/Resource Development and Program Planning/Evaluation. Committees meet monthly except the Membership and Executive committees which meet as on an as needed basis. The minutes from committee meetings along with the report are then shared with the full board at the next meeting. The agency's board meeting minutes indicate which committees met and reported during that period.

New board members receive an orientation handbook which includes the Articles of Incorporation, Bylaws, personal policies, and fiscal policies. The agencies' Executive Director conducts orientation for all new board members. When feasible, a current Board Member helps with the orientation. New members also meet with program directors and managers to learn about the programs offered by the agency. All board members are invited to tour the many programs and timely information regarding individual programs is shared at each board meeting. Board members have many opportunities to stay informed about the current status of programs. The Board Chair indicated he remembers the last time OCS offered Board training and feels it would be advantageous to offer that same training again.

Board members interviewed indicated that they develop a strategic plan once every five years which is reviewed quarterly. Timely information regarding individual programs is shared at each committee meeting. Board members have many opportunities to stay informed about the current status of programs. The strategic plan becomes part of the Board Planning Tool. The agency's needs assessment and the prior strategic plan are used as a starting point to develop the strategic plan. Agency staff and members of the Executive Committee develop much of the plan before presenting it to the full Board for discussion.

Board members report that all agency programs are evaluated, at least, bi-annually. The Program Planning Committee takes the lead in program evaluation. Monthly program reports provided to the board include fiscal and outcome data by program. The monthly reports provide data that is an important part of the analysis. The Board also receives and reviews all monitoring reports from funding sources. Any findings are discussed and the members help construct an action plan. An effort is made to provide program services indicated in the area needs assessment while avoiding duplication of services offered by other providers.

The By-Laws were last amended in December, 2012. Board members indicated that the By-Laws are reviewed and amended annually or more often if necessary. The review/amended dates are documented in the By-Laws. It is recommended that the board also compare the Articles of Incorporation to the By-Laws to ensure there are no discrepancies.

NRCA's Financial Policies and Accounting Procedures Manual was revised and approved by the Board in April, 2012. The agency's Financial Policies and Accounting Procedures Manual is reviewed at least annually. The Finance Committee, with input from staff, conducts the review then reports recommendations to the full Board. The review/amended dates are documented in the policy.

The agency's Personnel Policies were last updated in February, 2012. They are reviewed on an on-going basis by the Personnel Committee with input from staff. Each month a few pages of the manual

are reviewed resulting in the entire manual being reviewed at least annually. The committee reports to the full Board and the Board approves all changes.

The Human Resources Committee reviews the agency's salary scale/range once each year. The Human Resources Committee is also involved in setting the salary range when a new position is created. The review process begins with agency staff, who gathers salary information from other agencies and businesses. The compiled data is shared with committee members. Job descriptions are also reviewed and updated in this process. The committee then presents the report to the full Board for approval. The Board approved the last salary scale/range in September, 2012.

The Board reports that it completes an annual evaluation of the performance of its Executive Director. Part of the evaluation includes comparing the Executive Director's performance to the goals stated in the agency strategic plan. Other areas of evaluation include how the Executive Director supervises staff, the extent to which the E.D. interacts with the community to form liaisons, and the effectiveness of the Executive Director's communication with Board members and community partners. Direct report staff evaluates the Executive Director's performance along with all Board members. The board chairperson compiles the results from the questionnaires and the information is presented to the Executive Committee. The committee shares the evaluation with the Executive Director. The Executive Director was last evaluated in June, 2012.

The Board Members evaluate their own performance annually using a self evaluation questionnaire.

The board members report that low-income representatives are elected to serve by identifying and targeting low income groups and inviting them to vote for a representative. Community organizations are asked to help in identifying possible representatives.

At the time of this monitoring there are two open seats on the Board of Directors.

Detailed financial reports are presented to the finance committee each month. Reports include data on current month and year to date actual and budgeted revenues and expenditures by program. The committee also receives a cash disbursement ledger and schedule of credit card charges. The agency budget is reviewed at each meeting and revisions are made as changes in the agency's financial situation changes.

### **Needs Assessment**

NRCA management reports that it completes a needs assessment annually. The needs assessment process includes information gleaned from surveys, census data, online data gathering services, local partners, labor statistics, changes in employment and transportation in the service area and the Headstart needs assessment. The information is gathered and summarized by staff then shared with local community boards to prioritize. The report is then presented to the board for review and approval.

## **Agency Administration and General Operations**

NRCA's programs are reviewed monthly. Both fiscal bench marks and outcomes are evaluated. The program directors and managers receive reports that include a comparison of their program budget with the actual amount spent to date. The Executive Director and the Board review all program monitoring reports. The agency is committed to identifying the needs of the clients and in referring them to other programs, both within the agency and outside, that might be helpful.

To safeguard the confidentiality of client records all client records are kept in locked file cabinets in locked rooms. Staff is provided with a copy of the confidentiality policy and a signed confirmation is included in the employee's file. Client confidentiality policies are contained in the agency's Personnel Policies and Procedures.

The agency maintains client records for a minimum of five (5) years or as dictated by the funding contract.

NRCA uses a variety of methods and documentation to determine income eligibility for program services. These include, but are not limited to, pay stubs (or employer verification), social security statements, tax returns, Department of Social Service statements, and food stamp documentation along with federal guidelines. Examination of client records by OCS confirms this.

NRCA uses its CSBG funds to support the operational costs (primarily salaries, fringe benefit costs, and administrative costs) of its programs and services. TANF funds, when available, are used primarily for emergency services.

NRCA provided OCS with a copy of the latest monitoring report of its Virginia CARES, HUD Housing Counseling, CDBG Blacksburg, AmeriCorps, and Headstart Programs. The Headstart, HUD Housing Counseling, and Virginia CARES monitoring reports report no findings. Findings in the reports for CDBG Blacksburg and AmeriCorps have been addressed and the funding sources have closed the findings. The Board worked with the Executive Director and staff to remedy each finding and bring the programs into compliance.

NRCA's disaster recovery plan is documented in the Personnel Policies and Procedures Manual. The plan is comprehensive; providing for daily data backup, agreements with local companies to provide computer hardware and space, evacuation plans, and other contingencies.

NRCA's written policies governing restrictions on political activities are contained in the Personnel Policies and Procedures Manual and staff is required to sign a statement confirming that they received and understood it. The policy is reviewed and re-communicated to staff often.

## **Human Resources Management**

OCS staff reviewed nine (9) personnel files including both staff paid all or in part by CSBG funding and randomly chosen files. The agency files I-9s separately from the personnel files which is in

accordance with current Human Resource recommendations. All files were in order and contained all required information. Performance evaluations and job descriptions were current. Timesheets and salary confirmations were performed with no discrepancies.

### **Program Administration**

NRCA operates a variety of programs to help the economically disadvantaged in their service area. All program directors are provided with monthly management reports that include both revenue and expenditures by line item. The directors compare the program progress to the budgeted objectives. The Executive Director reviews program reports monthly and provides same to the Board. The Board is active in the on-going monitoring of program effectiveness, using the Needs Assessment as a guide.

The agency secures feedback from clients in a number of ways. Surveys, focus groups, volunteer questionnaires, and participant review of program effectiveness are all used. OCS staff reviewed twenty (20) client files. There were no issues found.

### **Financial Management**

While the financial management team is very small, the Executive Director and other staff contribute to making sure separation of duties is maintained. Separation of financial duties appears adequate to reduce the likelihood of fraud or theft. Because of the challenges inherent in maintaining adequate internal controls over NRCA's financial management transactions with a limited financial staff, it is critically important that the Board Members (or Finance Committee) maintain a very active role in overseeing the agency's Financial Management system and transactions.

NRCA has an approved indirect cost rate. The indirect cost pool is identified and tracked. The agency uses a direct charge method whenever practical.

NRCA's FY 2012 A-133 Audit report contained no findings or reportable conditions.

The audit's "Statement of Financial Position" shows a healthy ratio of 1.7:1 in current assets to current liabilities (quick or current ratio).

The agency has an unrestricted cash reserve of approximately \$313,169. Estimated cost for three months of salary and fringe benefit costs is \$817,670. OCS recommends a cash reserve equal to or greater than, three months of salary, tax, and fringe costs.

NRCA has used the same auditing firm for 6 years. The agency puts the audit services contract out for bid every 3 years. Staff publishes an RFP. The Finance Committee, working with staff, reviews the proposals and makes recommendations. The limited number of firms submitting proposals along with the difference in price has resulted in the same firm being chosen twice in a row. OCS recommends a change in audit firm every three years. When that is not possible OCS recommends a change in the lead auditor and audit team. The agency should continue to find ways to encourage CPA firms to submit proposals.

The Financial Policies & Accounting Procedures Manual was revised and reviewed/approved by the Finance Committee in April of 2012. The manual is reviewed, at least, annually. The review is

instigated by staff who then presents recommendations to the Finance Committee. The Board has authorized the Finance Committee to make changes to the Manual without Board approval.

NRCA uses a sound budget preparation process in which a “management team” (made up of the program director, Executive Director, and the finance director) prepare a draft program budget. The finance director then compiles all program budgets into an agency-wide budget that is then reviewed by the finance committee and reviewed/approved by the board. A monthly budget analysis that includes both expenditure and revenue data is reviewed by the program managers/directors.

## **CONCLUSION**

Board governance appears to be strong and complete. Board Members seem to be committed and well-qualified. During the last three years, the agency's By-Laws, Personnel Manual, and Manual of Accounting Policies were all reviewed and updated.

The agency appears to be managed by experienced, dedicated, and professional staff.

OCS staff found NRCA to be in compliance with all CSBG requirements.

**FINDINGS:** *OCS defines "Findings" as instances of non-compliance with statutes, regulations, policies, or procedures established by the agency itself, the Commonwealth of Virginia, or federal agencies.*

*None*

**WEAKNESSES:** *OCS defines "Weaknesses" as conditions that have the potential to lead to findings or problems for the agency including deficiencies in agency management and governance systems.*

*None*

**RECOMMENDATIONS:** *OCS defines "Recommendations" as "best practices" that can contribute to increased agency effectiveness.*

1. When writing the finance or accounting manual OCS recommends "tabbing" sections or creating policies in a modular format in order to more efficiently search for and update new information.
2. OCS recommends maintaining a cash reserve equal to or greater than, three months of salary, tax, and fringe costs. As a "best practice" NRCA should work towards building additional cash reserves.
3. OCS recommends a change in audit firm every three years. When that is not possible OCS recommends a change in the lead auditor and audit team.

## **M: STANDARDS FOR FOLLOW-UP**

OVCS will issue a final written report within 60 days of the on-site visit. An emailing of a draft copy to the agency's Executive Director (ED) precedes this so the ED will have an opportunity to check facts and clarify findings. The Ed will then have five (5) days to respond to the draft report. A hardcopy of the final report is then mailed to the board chair and the ED.

The Final Monitoring Report may include the following: "Findings", "Weaknesses", and "Recommendations". "Findings" will include instances of non-compliance with statutes, regulations, policies, or procedures established by the agency itself, the Commonwealth of Virginia, or federal agencies. "Weaknesses" will include conditions that have the potential to lead to problems for the agency including deficiencies in agency management and governance systems. "Recommendations" will include "best practices" that can contribute to increased agency effectiveness.

The nature of follow-up reviews depends on the number and seriousness of the findings and weaknesses identified in the monitoring report. When findings and weaknesses are few and/or minor, the follow-up review may be accomplished by mail (i.e. – submission of a document or written policy). When findings and weaknesses are numerous and/or major, a follow-up on-site visit will be conducted to verify and document implementation of the corrective action plan. In these instances, OVCS may also determine that increasing the frequency of monitoring reviews to annual on-site visits is justified.

If a follow-up is needed, a progress report on each cited issue would accompany each quarterly report until all issues are resolved.

## **N: CORRECTIVE ACTION PLAN OUTLINE**

Agencies will be required to submit an approved Corrective Action Plan no later than 60 days after issuance of the Final Report. They are required to share copies of the Final Monitoring Report with all members of the Board of Directors. Likewise, the agency's Corrective Action Plan shall also be shared with, and approved, by the Board. If it is impossible for the entire Board to approve the Corrective Action Plan within the 60 day period because of its meeting schedule, the Executive Committee can approve it subject to Board review and approval later. OVCS will screen agency Board Meeting minutes to confirm that the Board reviewed the monitoring report and approved the corrective action plan.

The agency's Corrective Action Plan should respond to each finding, weakness, or recommendation contained in the Monitoring Report. Corrective action plans shall include a description of the action to be taken and a date for completion of each corrective action. A progress report on each action taken would accompany each quarterly report until all issues are resolved.

## **O: PLAN FOR INADEQUATE RESPONSES**

If an agency is determined to be out of compliance in any area, OVCS is required by federal law to provide technical assistance to correct the problem. If an agency is unable or unwilling to correct identified deficiencies, OVCS implements a process outlined in federal and state law which can result in the suspension of CSBG funds, or even the Governor rescinding an agency's designation as a community action agency.

### OCS TRACKING CHART

Updated: April 11, 2014	Last Review Date	Staff	Final Report issued	Findings / Weaknesses	Date of Response	Next Visit
<b>STOP</b>	March 2-4, 2011	Chet/Dan	1-Jun-11	Bd Chr acted alone	N/A	CY 2014
<b>VA CARES</b>	April 19-21, 2011	Chet	1-Jun-11	N/A	N/A	CY 2014
<b>Proj Disc</b>	June 15-16, 2011	Chet	25-Jun-11	N/A	N/A	CY 2014
<b>Improvement Agency</b>	19-22Jul11	Chet/Dan	26-Aug-11	NA	N/A	CY 2014
<b>OHA</b>	3-5Aug11	Chet / Bill	31-Aug-11	N/A	N/A	CY 2014
<b>Alexandria</b>	25-26Aug11	Chet	12-Aug-11	N/A	N/A	CY 2014
<b>Monticello</b>	13-15Sep11	Chet/Dan/Bill	13-Oct-11	Strategic Plan	12/15/11	CY 2014
<b>Quin Rivers</b>	7-9Nov11	Dan	15-May-12	None	N/A	CY 2014
<b>Pittsylvania</b>	11-13Apr12	Bill	5-Nov-12	NA	N/A	CY 2015
<b>Skyline</b>	24-26Jul12	Dottie/Dan	15-Sep-12	N/A	N/A	CY 2015
<b>Eastern Shore</b>	14-16Aug12	Dottie/Dan	15-Sep-12	N/A	N/A	CY 2015
<b>Williamsburg</b>	23-25Nov12	Dottie	9-Jan-13	Accounting Software	1/10/2013	CY 2015
<b>SERCAP</b>	3-6Dec12	Dottie	9-Jan-13	N/A	N/A	CY 2015
<b>Arlington County</b>	28-29Jan13	Dottie	21-Feb-13	N/A	N/A	CY 2016
<b>Fairfax County</b>	30-31Jan13	Dottie	21-Feb-13	N/A	N/A	CY 2016

<b>Tri-County</b>	26-28Feb13	Dottie	8-Apr-13	Late Evaluations	5/2/2013	CY 2016
<b>Clinch Valley</b>	18-20Mar13	Dottie	12-Apr-13	N/A	N/A	CY 2016
<b>New River</b>	26-28Mar13	Dottie	15-Apr-13	N/A	N/A	CY 2016
<b>People</b>	16-18Apr13	Dottie	8-May-13	N/A	N/A	CY 2016
<b>Bay Aging</b>	21-23May13	Dottie	28-Jun-13	N/A		CY 2016
<b>HOPE</b>	25-27Jun13	Dottie	7/12/2013	Many	30-Sep-13	CY 2016
<b>Goochland</b>	19-20Jul13	Dottie	30-Aug-13	NA	N/A	CY 2016
<b>Mountain CAP</b>	20-22Aug13	Dottie	20-Sep-13	N/A	N/A	CY 2016
<b>AppCAA</b>	17-18Sep13	Dottie	9-Oct-13	NA	N/A	CY 2016
<b>CAPSAW</b>	8-10Oct13	Dottie	1-Nov-13	NA	NA	CY 2016
<b>Rooftop</b>	29-31Oct13	Dottie	25-Nov-13	N/A	N/A	CY 2016
<b>TAP</b>	17-19Dec13	Dottie	27-Jan-14	N/A	N/A	CY 2016
<b>STEP</b>	7-9Jan14	Dottie	29-Jan-14	Unstable Administration/ no Finance Director	02/07/14	CY 2017
<b>Powhatan</b>	22-24Jan14	Dottie	18-Feb-14	NA	N/A	CY 2017
<b>CAPUP</b>	4-6Feb14	Dottie	28-Feb-14	N/A	N/A	CY 2017
<b>Lynchburg</b>	18-20Mar14	Dottie	10-Apr-14	N/A	N/A	CY 2017