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17 **A N N U A L**
Training Conference

Successful Monitoring –



Sharing Best Practices



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Purpose of the Presentation

The purpose of this session is not to tell you what you should or shouldn't look at during a monitoring visit. It's simply to present to all of us the things that some other states are looking at, so you can discuss with your staff whether that is something your State wants to look at.

The abbreviation "G" is for Grantee and "SG" is for Sub-Grantee



Thank You !!

To everyone who sent in there Monitoring Plans!

- Scott Kuhn, Kansas
- Amy Klusmeier, Wisconsin
- Somebody wonderful, Nebraska



What is a Monitoring Plan / Tool / Instrument?

- It tells us what to look at (**scope**)
- It tells us how deep to dig (**depth**)
- It tells us how far back to review (**span**)

Who decides what those parameters are?

We do!

(Actually my boss does, but you get the idea.)



The Plan

Your Monitoring Tool/Plan/Instrument sets the boundaries for your **scope**, **depth**, and **span**, and assures that on each monitoring visit, your monitors are **looking at the same things**, **looking at them to the same extent**, and reviewing those items **over the same period of time**.



Two Types of Monitoring Tools

- Instructional: (Review, verify, determine, compare, document, etc.)
“Using the SG’s advances, reimbursements and budgets from the computer system, determine the percentage of administrative funds that were expended and compare them to the program limits and to their budgeted amounts.”
- Query: (Did, does, is, what percentage, how often, how many, etc.)
“Is the SG spending a higher percentage of administrative funds than are allowed or were budgeted?”



Conflict of Interest

- Do you (your State) have a conflict of interest policy and procedure?
 - Does your SG have a conflict of interest policy?
 - Do the two concur or conflict?
 - Is your SG following those policies?
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- What additional conflict of interest policies or procedures do you have that I didn't mention?



I. Financial Controls

- Financial Policies & Procedures
- Bank Accounts & Reconciliations
- Advances & Reimbursements



Financial Policies & Procedures

- Does the SG have a Financial Policies Manual?
- Is it current (when was it last updated)?
- Do they comply with 2 CFR 200?
- Do they contain policies for the subjects that are important to you as the grantee?
- Is there proper segregation of duties in the SG's finance department?
- Does the manual reflect current practice?
- Have any fiscal problems impeded production within the last year?
- What other financial policies and procedures do you look at?



Bank Accounts & Reconciliations

- Are all of the people on the signature card current employees or board members?
- Is the bank account that holds Wx advances interest bearing?
- Was interest received from advanced funds greater than \$500? If so, was the portion greater than \$500 returned to the Federal Treasury?
- Were the bank accounts reconciled in a timely manner, and in accordance with their financial policies and procedures?
- What other bank account or bank reconciliation practices do you review?



Advances & Reimbursements

- Were all advances and reimbursements from the grantee deposited into the correct bank accounts?
- Were all advances and reimbursements from the grantee credited to the correct grants in the agency's general ledger?
- Were they deposited in a timely manner and/or according to their financial policies?
- What other advances and reimbursements practices do you review?



II. Expenditures

- Invoice Verification
- Indirect Rate & Cost Allocation Plan
- Administrative Expenses
- Training & Technical Assistance



Invoice Verification

- Were invoices correctly allocated to the Wx program in accordance with their financial policies?
- Were all expenditures supported by an invoice, purchase order, employee reimbursement claim form or other docs per P&P?
- Were all expenses allowable, allocable, reasonable & necessary?
- Did all invoices for vehicle expenses clearly identify which vehicle the expenses were for?
- Were all expenditures coded to the correct ledger accounts (utilities, T&TA, Wx materials, etc.)?



Invoice Verification (continued)

- Were all expenditures approved in accordance with their financial policies?
- Are travel records sufficient to document travel expenses?
- What other invoicing practices do you review?



Indirect Rate & Cost Allocation Plans

- Does the SG have an indirect rate approved by their federal cognizant agency? Is it current (within the effective period stated on the agreement)?
- Is their cost allocation plan fair and equitable? Are the methods reasonable for each type of expense? (Sq. ft, FTE's, computer terminals, phones, etc.)
- Are they charging their percentage to each grant based on the correct cost pool expenses?
- What other invoicing practices do you review?



Administrative Expenses

- If there are admin charges other than their indirect rate, verify that they are expenses that are allowed to be charged to administrative.
- Verify that the SG has not charged a higher percentage to admin than the grant allows.
- Verify that the SG has not expended a significantly higher percentage of their admin than of the rest of the grant.
- What other invoicing practices do you review?



Training & Technical Assistance

- Were all charges for Training or Testing registration fees, or for travel expenses associated with those training and other Weatherization meetings?
- Were travel expenses charged out correctly according to the SG's travel policies?
- Does the SG have a training program for new personnel?
- What other T&TA items do you review?



III. Procurement

- Contractors
- Insurance Policies
- Audit Fees
- All other purchases



Contractor Procurement

- Did the SG follow the G's requirements for contractor procurement?
- If the G does not mandate specific requirements for contractor procurement, did the SG follow their own policies for contractor procurement?
- How did the SG ensure free and open competition?
- How did the SG ensure that small and minority-owned businesses were solicited?



Contractor Procurement (continued)

- Did the SG inform the prospective bidders of the evaluation criteria?
- Did the SG retain all required documents in the procurement/bid process?
- What other contractor procurement practices do you review?



Other Procurement

- Insurance Policies
- Audit Fees
- Purchasing thresholds

- What other Procurement items do you review?



IV. Program Compliance

- Outreach, Waiting List & Client Selection
- Weatherization Materials Inventory
- Vehicles & Equipment
- Client Files
- Contractor Files
- Production, Expenditures, & Average Cost per Home
- T&TA
- Health & Safety
- Miscellaneous



Outreach, Waiting List & Client Selection

- How does SG ensure that the target groups receive priority?
- How does SG divide its services throughout its service territory?
- Does the SG's Wx application contain all of the assurances required by the G's State Plan and other applicable federal regulations?
- How many clients are on SG's waiting list? Have any clients been on waiting list more than 12 months?
- Is the SG weatherizing rental units according to the G's State Plan? Does the SG require a financial contribution from the property owner, and how does the SG use that contribution?



Outreach, Waiting List & Client Selection (continued)

- How does the SG assure that rental properties are not being unduly or excessively enhanced?
- What is the average wait time between applying for and receiving services?
- What kind of outreach does the SG do?
- Does the SG's wx program serve any areas outside of the Agency's normal service area?
- What other areas do you review involving Outreach, Waiting Lists, and Client Selection?



Weatherization Materials Inventory

- Does the SG require vendors to meet or exceed DOE regulations regarding materials standards listed in Appendix A of 10 CFR 440?
- Is there proper segregation of duties in the procurement and purchase of Wx materials?
- Is the storage space adequate, providing protection from theft, damage, and exposure?
- Are materials stored in an organized and accessible manner?
- Does the SG have an inventory control system that allows materials to be traced back to the purchase?



Weatherization Materials Inventory (continued)

- How does the SG account for materials going in and out of the warehouse on a daily basis?
- Is the physical inventory counted and compared to inventory records? How often?
- How does the SG dispose of obsolete or damaged materials?
- What other areas do you review involving Weatherization Materials?



Vehicles & Equipment

- Were all of the vehicles and equipment on G's inventory listing present at the SG? Were all in an acceptable condition?
- Does the SG have all of the required paperwork and information required by the G and DOE?
- Did the SG follow DOE, G and agency policies when disposing of vehicles or equipment that was purchased with federal funds?
- Are any vehicles or equipment purchased with Wx funds being used for other programs? How is the Wx program being compensated? Was authorization obtained from the G?



Vehicles & Equipment (continued)

- Are vehicles stored in a secure location? Are they locked when not in use?
- Are vehicles ever used for personal use? Are any agency personnel allowed to take vehicles home at night?
- Is there emergency equipment in all vehicles (fire extinguishers, first aid kits)? Are emergency procedures posted in the vehicle in the case of an injury or accident?
- Did SG purchase or lease any vehicles during the time period being monitored?



Vehicles & Equipment (continued)

- Do all wx owned vehicles have a lien to the G?
- Are mileage and maintenance logs complete and accurate?
- What other vehicle and equipment practices do you review?



Client Files

- Is SG calculating income correctly?
- Was income updated if an application had aged a certain number of days/months?
- Were all re-weatherizations initially weatherized prior to Sept 30, 1994?
- Are all required documents present and complete in the physical client file?
- Rental Units: Is wx provided to rental clients? Does the SG impose measure restrictions or other landlord requirements?
- What other areas do you review involving client files?



Contractor Files

- Are signed contracts between the SG and contractor present?
- Do contracts with contractors clearly communicate the requirement to be in compliance with the State's SWS Field Guide?
- Do contracts with contractors clearly communicate the requirement to be in compliance with LSW & RRP rules?
- What other items do you look for in their contractor files?



Production, Expenditures, & Average Cost per Home

- Is the SG spending its funds at a pace that will allow them to spend out by the end of the grant?
- Is the SG keeping up with the production schedule they submitted with their budget?
- Is the SG's average cost per home below DOE's current limit?
- What other areas do you review involving production, expenditures, and average cost per home?



Training & Technical Assistance

- What kinds of training did the SG's Wx staff attend in the last year (in-house and outside)?
- Does the SG employ State certified Wx auditors?
- Does the SG employ QCI certified Wx inspectors?
- Have SG crew members been trained and certified in RRP & LSW practices?
- What other areas do you review involving production, expenditures, and average cost per home?



Health & Safety

- Does the SG have a written H&S policy? Does the SG have a staff member who serves as a H&S Officer?
- Does the agency require the use of respiratory equipment?
- Are material safety data sheets available to employees in the shop and on the jobsite?
- Are employees trained in hazardous materials safety, handling, and incident management?
- How is field staff notified of need for special precautions due to medical conditions in the household.
- What other Health & Safety practices do you review?



Follow Up

- Were there any material weaknesses or significant deficiencies identified in the internal controls of the SG's financial reporting or major programs in the most recent single audit report?
- Was a corrective action plan submitted to the State wx office?
- Have the identified problems been resolved?
- Were the recommendations from the previous procedural monitoring report implemented. Were there repeat findings on this visit?
- What other things do you follow up on when you monitor?



Miscellaneous

- Are different program guidelines used for different funding sources?
- Is the SG using a G-approved computerized energy audit tool? Are the correct fuel rates being used? Are the cost libraries current and correct?
- Does the SG have a deferral policy in accordance with the G's policy? Are clients being notified of the deferral reason, needed corrective action, and time frame for completion?
- Does the SG have policies on client privacy? Are they following that policy?



Miscellaneous (continued)

- Is the current grant between the G and SG signed and properly executed by both parties?
- Does the Executive Director receive a periodic report on the status of the Wx program?
- Are there other miscellaneous areas of review that you do that we haven't covered?



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