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Virginia CSBG Monitoring Procedures

A Resource for Virginia Community
Action Agencies

Introduction

Welcome to the **Community Services Block Grant (CSBG) Monitoring Manual**. This manual is designed to provide guidance and support to all eligible entities who receive CSBG funding, ensuring that the funds are used effectively, efficiently, and in accordance with federal and state requirements. It outlines the processes, expectations, and best practices for monitoring CSBG-funded programs, and it serves as a critical tool for fostering accountability, transparency, and continuous improvement.

The CSBG program, administered by the U.S. Department of Health and Human Services (HHS) and distributed through state and local agencies, aims to reduce poverty, revitalize communities, and promote self-sufficiency among low-income individuals and families. As an eligible entity, your role in the success of the CSBG program is vital. By ensuring compliance with program guidelines, achieving performance outcomes, and maintaining strong fiscal management, your organization plays a key part in enhancing the quality of life for those in need.

Monitoring Overview

Federal guidelines require that the Virginia Office of Economic Opportunity 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 satisfied. The State Plan submitted by OEO sets a goal of monitoring visits every three years or as needed using indicators such as agency risk assessment. As a result, OEO monitoring team members will look at far more than compliance with program rules and regulations. Rather, monitors will take a systems view of each agency, noting the quality-of-service delivery and program operations throughout the agency. OEO views monitoring activities as part of a process to strengthen local agencies and the entire community action network. The results from agency monitoring's are to identify training and technical assistance needs unique to each organization, to provide intervention and best practice resources that will increase the agency's capacity and performance of the entire network.

The monitoring team will be composed of OEO staff members. The visit is scheduled to occur over a two-day period. If requested, an informal exit meeting can be arranged to provide a summary of any findings. Additionally, an email will be sent within 10 days following the monitoring. A formal written monitoring report will be provided, regardless of whether an exit meeting takes place.

OEO will utilize a standardized monitoring instrument to ensure each review is comprehensive and aligns with the agency's management and governance policies and procedures. See attached copy of instrument. The hybrid monitoring review consists of a desk review (i.e. personnel and client files and fiscal documentation), financial management review, board of directors' interview, management team interview, and surveys for both the board and staff.

OEO will complete the desk review before the monitoring visit. The Financial Management interview will be conducted with the Chief Financial Officer, and OEO will review several financial records during this process. It is recommended, if possible, that the Treasurer of the Board of Directors also participate in this interview. The Board of Directors interview will focus on governance functions and operations. To complete this part of the review, OEO requires interviews with at least five Board members, including the Board Chair, Treasurer, and three additional members. This interview can be scheduled at any time during the two-day visit. The Management Team Interview should include the Executive Director, Finance

Director, Chief Planner, Human Resources Manager, operations directors or managers, and other management-level personnel who can address questions regarding the agency's various management systems.

OEO will implement a hybrid approach to monitoring, allowing CSBG staff to conduct a desk review of agency documentation and records. All documents will be provided prior to our virtual visit. In cases where agency performance warrants, OEO will conduct a full on-site review of the agency.

Monitoring Components:

Financial Management Review

In the area of financial management, monitors will randomly select one month's Federal CSBG and TANF reimbursements for review of documentation supporting those expenditures. If problems are found during that examination, monitors may need to request documentation for additional months' expenditures. OEO 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. A request for liability, bonding, and vehicle insurance coverage documentation will be requested. The office will review 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 an agency's last audit, OEO will review any documentation pertaining to whatever corrective action has occurred.

General and Program Review

In the area of general and program administration, monitors will need to see documentation of agencies needs assessment and any public hearing or meetings that were held to solicit input pertaining to the needs assessment. If an agency administers a Head Start program, staff will need a copy of their latest Head Start Report, and if applicable, corrective action plans, and documentation that your corrective action plan has been implemented. Monitors will need copies of monitoring reports issued by any other public funding source. If an agency is experiencing any problems, findings, and/or disputes with funding sources other than CSBG, OEO will need to see all correspondence and/or reports pertaining to those issues. Staff will randomly select client files and personnel files to review, this review will either occur onsite or through a secure file share link.

Issuance of Monitoring Report

OEO will issue a written report within 30 days of the virtual visit. The Final Monitoring Report may include the following: "Findings," "Concerns," and "Recommendations." "Findings" include instances of non-compliance with statutes, regulations, policies, or procedures established by the agency itself, the Commonwealth of Virginia, or federal agencies. "Concerns" include conditions that have the potential to lead to problems for the agency including deficiencies in agency management and governance systems. "Recommendations" 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 30 days after issuance of the Final Report. Agencies 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 30-day period because of its meeting schedule, the Executive Committee can approve it

subject to Board review and approval later. OEO 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 and concern contained in the Monitoring Report. Agencies have the option of including in the Correction Action Plan any actions they plan to take in response to our best practice recommendations. Corrective action plans shall include a description of the action to be taken and a date for completion of each corrective action. If an agency's final monitoring report contains any "findings" or "concerns" they will be required to submit on a quarterly basis a "Progress Report" that will outline the progress they have made in implementing the planned actions contained in their "Correction Action Plan."

Follow-Up Reviews

The nature of follow-up reviews depends on the number and seriousness of the findings and concerns identified in the monitoring report. When findings and concerns are few and/or minor, the follow-up review may be accomplished by email (i.e. – submission of a document or written policy). When findings and concerns 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, OEO may determine that increasing the frequency of monitoring reviews to annual on-site visits is justified.

Summary

While The CSBG Act of 1998 requires the State CSBG office to monitor local community action agencies, the fact is, it is good business practice to continually improve agencies operations, services, and outcomes that builds sustainable and economic sufficient communities. Monitoring is one of many tools available to strengthen agencies' capacity and outcomes. CAAs self-assessments, the National Community Action Partnership's Standards of Excellence, VACAP, training and technical assistance, peer-to-peer exchanges are all tools that are essential to maintaining and strengthening agency capacity. OEO believes that it is important to maintain a strong partnership that assists in developing innovative ways to address agency capacity and performance.

Office of Economic Opportunity Monitoring Practices

1.0 Policy

It is the requirement of the Virginia Department of Social Services CSBG Office to perform monitoring functions of federal and state funds, in a consistent manner that is compliant with CSBG source requirements. The CSBG program manager oversees the monitoring of Virginia CSBG Agencies.

2.0 Purpose

- 2.1** The Monitoring Practices and procedures describe CSBG's methodology for monitoring CSBG Entities.
- 2.2** To Comply with Department rules on the administration of program funds.
- 2.3** To comply with Federal Funding source requirements for administering program funds
- 2.4** To establish consistent processes and procedures when monitoring CSBG Programs
- 2.5** Monitoring activities are planned to focus on areas of highest risk and to help ensure the most effective use of monitoring resources.
- 2.6** To ensure CSBG Monitors complete monitoring reports and responses within a designated time frame to ensure entities address any corrective actions in a timely manner.
- 2.7** To ensure monitoring responses are reviewed to ensure corrective actions were completed.

3.0 Responsibilities

3.1 The CSBG Program Manager is responsible for ensuring CSBG programs are administered, and funds are expended in accordance with contract provisions and applicable State and Federal rules, regulations, policies, and related statutes.

3.2 The CSBG program staff will develop a monitoring schedule that identifies the entities that are to be monitored.

3.3 OEO will require a corrective action plan from agencies with Findings and Concerns. Agencies that do not resolve Findings and/or Concerns in a timely manner can be placed on a Quality Improvement Plan.

As per the State Accountability Measures, OEO must notify OCS if an entity has “serious deficiencies”. “Serious deficiency” means a finding that the Eligible Entity is not in compliance with Federal or State laws or eligible entity bylaws; or that the Eligible Entity has committed fraud, is in financial difficulty, or is not able to provide services.

3.4 OEO will issue to the entity a Final CSBG Report for all onsite monitoring visits.

3.5 The CSBG Staff will address the entities response to the report and/or close out the monitoring process.

3.6 The CSBG staff will address any findings and provide training and technical assistance where necessary.

4.0 Monitoring Principles

4.1 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 Guidance
5. Other relevant legislation, regulations, and requirements as amended or incorporated by state or federal government.

4.2 The CSBG Act of 1998 requires the State CSBG office to monitor local community action agencies at least once every three years. OEO will monitor all entities at least once every three years. OEO will conduct an annual risk assessment-and may develop a monitoring schedule for medium- and high-risk entities that allows for annual or bi-annual monitoring.

4.3 OEO extends this practice to the public and state-wide community agencies.

4.4 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.

4.5 The Virginia Office of Economic Opportunity 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.

4.6 Monitoring is 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.

5.0 Guiding Principles to Monitoring

5.1 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.

5.2 Open Communication

Effective communication is essential 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.

5.3 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 to meet the needs of local communities within the parameters set by legislation.

6.0 Monitoring Practices

6.1 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. 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.

6.2 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.

6.3 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.

6.4 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.

7.0 Monitoring Selection

7.1 A Monitoring review schedule will be completed every 2 years; the schedule will identify the month or quarter in which the entity will be monitored.

7.2 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 Guidance 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.

7.3 At least once every three years OEO conducts a comprehensive on-site review of all entities. Medium- and high-risk entities will receive annual or bi-annual onsite visits.

7.4 A risk assessment will be completed by CSBG Staff every two years and entities may be monitored more frequently depending on the results of the risk assessment.

Attachments

[Private CAA Interview Questions](#)

[Private CAA Monitoring Checklist](#)

[Public CAA Interview Questions](#)

[Public CAA Monitoring Checklist](#)