

Priority:	Accountability	Lead Agency:	Finance Budget & Tax
Program Offer Type:	New Program	Program Contact:	Cara Fitzpatrick
Related Programs:	70001		

Frameworks:

Executive Summary

This program is responsible for developing, implementing and then maintaining an effective County wide financial monitoring program for federal funds passed to outside agencies (sub-grant or sub-recipient). These outside agencies are usually non-profits that the County contracts with for services.

Program Description

This is a new program offer that is being proposed to monitor sub-recipient organizations that the County contracts with to provide services that are funded by Federal grants that the County receives and passes through to them. Under the Federal Office of Management and Budget (OMB) circulars A-133 and A-87 the County is required to monitor sub-recipients of grant funds to ensure that audits are conducted, audit management comments are being addressed, that internal financial controls are in place, that sub-recipients are informed of the requirements of a grant and that reimbursements are being requested under the guidelines of the grant. Currently departments are responsible for handling this function but they do not have available resources to perform sub-recipient monitoring required by federal grants. The County's independent auditor's, Grant Thornton, LLP, management letter issued as part of the FY04 external audit has recommended that the County needs to do a better job in sub-recipient monitoring. If the sub-recipient monitoring is not performed the County is at risk of losing federal grants.

Program Justification

This program contributes to the Accountability priority by ensuring that federally required sub-recipient monitoring is performed as required by law. This program would centralize the function of sub-recipient monitoring and work with departments to ensure proper sub-grant monitoring is taking place. Not performing grant monitoring could ultimately place programs and funds at risk of being eliminated by the Federal government.

Performance Measures

The performance measure is the number of instances of non-compliance of sub-recipient monitoring documented in the external annual audit of the County's schedule of federal expenditures. The annual audit report would note any areas of non-compliance of subrecipient monitoring and indicate areas of improvement for sub-recipient monitoring within the County. The goal is to have zero instances of non-compliance.

Summary of last year's program results and this year's expected results

The lack of not performing sub-recipient monitoring was highlighted in the County's FY04 external audit and a management recommendation was made to implement sub-recipient monitoring programs to ensure that proper monitoring was occurring. This comment was made by the County's external auditor, Grant Thornton LLP.

Program Mandate: 2 Mandated Program with Funding/Service Level Choice

The sub-grant monitoring program is required by the Office of Management and Budget Circular A-133 and A-87, which states the pass-through entity (the County) is held accountable for federal awards administered by their subrecipients, the pass-through entity needs to establish an appropriate subrecipient-monitoring process. Currently the responsibility of sub-grant monitoring is at the department level, however it is apparent effective procedures are not in place at certain departments due to a lack of resources and skills.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2005	2005	2006	2006
Program Expenses				
Personnel	\$0	\$0	\$67,081	\$0
Contracts	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$3,100	\$0
Internal Services	\$0	\$0	\$8,712	\$0
Subtotal: Direct Exps:	\$0	\$0	\$78,893	\$0
Administration	\$0	\$0	\$1,376	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$1,376	\$0
Total GF/non-GF:	\$0	\$0	\$80,269	\$0
Program Total:	\$0		\$80,269	
Program FTE	0.00	0.00	1.00	0.00
Program Revenues				
Fees, Permits & Charges	\$0	\$0	\$0	\$0
Intergovernmental	\$0	\$0	\$0	\$0
Other / Miscellaneous	\$0	\$0	\$0	\$0
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$0	\$0	\$0

Explanation of Revenues

This program is supported by General Fund revenues. In future years, this position would be included in the central indirect rate and a portion of the cost for this position would be recovered through the County's central indirect cost allocation plan.

Significant Program Changes

The program offer for Grant Monitoring will add 1.0 FTE - financial specialist II. This program will enable the County to comply completely with federally required sub-recipient grant monitoring. This program offer will also lessen the burden on finance employees at the department level to ensure sub-grant monitoring procedures are in place and effective.