

Priority: Accountability
Program Offer Type: New Program
Related Programs: 72004A

Lead Agency: County Management
Program Contact: Mindy Harris

Program Characteristics:

Executive Summary

The General Ledger (GL) Enhanced Fiscal Compliance program offer will enable the existing GL program to comply with external legal requirements for monitoring the use of federal and state funds by subrecipient agencies. These agencies are primarily non-profits that the County contracts with for services.

Program Description

This is a scaled-up program offer proposed to enhance GL's existing grant monitoring and fiscal compliance program. The Federal Office of Management and Budget (OMB) requires the County to monitor subrecipients of grant funds to verify that audits are conducted, audit management comments are being addressed, internal financial controls are in place, and sub-recipients are informed of the requirements of a grant. GL's base program offer includes one fiscal compliance officer who is responsible for handling this function for DCHS. This program would add one position to expand the County-wide obligation to perform fiscal compliance and monitoring of grants and contracts. The County's independent auditors have recently recommended that the County implement a sub-recipient monitoring program for all sub-recipients in all departments. In addition, the Health Department and DSCP have both received state and federal audits that have indicated that the County is not meeting this requirement and have instructed the County to establish compliance monitoring programs for these funds.

Program Justification

This program would establish a stronger central grant fiscal compliance program and streamline the existing grant monitoring program to result in an overall improved County-wide process that can provide support and assistance to departments and to contractors. This program will further develop compliance and monitoring practices centrally to enable entities contracting with the County to attain satisfaction that the process is performed in a consistent and effective manner. By having the capacity to conduct sub-recipient monitoring the County is verifying that spending is aligned with the grants' priorities. Without the capacity to conduct the monitoring, the County is unable to carry out the responsibilities delegated by the federal and state government nor to proceed through the cycle of continuous improvement in this area. Not performing grant monitoring could ultimately place programs and over \$17 million funds at risk of being eliminated by the Federal government.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	% of sub-recipient grant contracts monitored.	20%	20%	20%	30%
Outcome	Level of compliance as noted by external auditors for subrecipients monitored.	0%	0%	0%	90%

Performance Measure - Description

The performance measure is the percent of subrecipient grant contracts that have effective sub-recipient monitoring performed. Currently the percent of contracts where the County is performing subrecipient monitoring is extremely small and focused only on human services contracts (DCHS). The first year target is to have 50% of subrecipient contracts monitored. The first year will be primarily identifying and setting up the sub-recipient program structure in County departments and centrally. 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. Note the goal is to achieve 90% level of compliance out of the approximate 30% of subrecipients monitored.

Legal/Contractual Obligation

The Office of Management and Budget Circulars A-133 and A-87 require entities receiving federal funds and passing those funds on to other organizations (such as non-profits) to be in compliance with performing subrecipient monitoring on those contracts with pass-through funding.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2006	2006	2007	2007
Personnel	\$0	\$0	\$83,405	\$0
Materials & Supplies	\$0	\$0	\$2,000	\$0
Internal Services	\$0	\$0	\$10,245	\$0
Subtotal: Direct Exps:	\$0	\$0	\$95,650	\$0
Administration	\$0	\$0	\$4,991	\$0
Program Support	\$0	\$0	\$1,229	\$0
Subtotal: Other Exps:	\$0	\$0	\$6,220	\$0
Total GF/non-GF:	\$0	\$0	\$101,870	\$0
Program Total:	\$0		\$101,870	
Program FTE	0.00	0.00	1.00	0.00
Program Revenues				
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$0	\$0	\$0

Explanation of Revenues

The first year of this program will be funded by General Fund revenues. In subsequent years, this program will be included with the General Ledger program offer and supported by the County's indirect cost allocation plan.

Significant Program Changes

Last year this program was: #70026, Central Grant Monitoring

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