

SMART FINANCIAL GRANTS MANAGEMENT 2015

Lesson Overview & Module Objectives

- Post-Award: Resolution Process
- Closeout
 - Define management decision; Identify remedies for resolving monitoring and audit findings
 - Identify the requirements for closeout of subrecipient awards

Subrecipient Monitoring and Oversight 4

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Knowledge Check

On a scale of 1 (lowest) to 5 (highest), rate your knowledge and understanding of the following by **circling** the appropriate number in the middle column of the sheet, labeled Pre-Training, for each of the statements.

- The requirements for conducting a risk assessment of subrecipients prior to making subawards.
- The specific conditions that may be attached to a subaward.
- The methods that the pass-through entity should use to conduct monitoring of subawards.
- What a management decision is and when the pass-through entity must issue one.
- The remedies that the pass-through entity may impose to address compliance violations.

Subrecipient Monitoring and Oversight 5

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Definitions

Pass-Through Entities

- 2 CFR 200.74 Pass-through entity (PTE)**
 - Means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program
- 2 CFR 200.92 Subaward**
 - Award provided by a pass-through entity to a subrecipient to carry out part of a Federal award

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What is a Subrecipient?

2 CFR 200.93



Subrecipient: A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

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Pass-through Entities General Responsibilities



- Conduct monitoring and issue management decisions
- Ensure accurate financial and performance reporting
- Ensure compliance with all grant and subaward terms and conditions
- Meet performance and financial goals
- Select qualified subrecipients

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Accountability

THEY FAIL, YOU FAIL!

- "Pass-through" does not give the entity a "pass" on accountability
- Provide funds to a subrecipient to meet the pass-through entity's program and performance objectives
- Pass-through entity is as accountable as if it were providing the services itself

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Pre-Award

Learning objectives for this section

- Identify the requirements and methods for conducting a risk assessment and selecting subrecipients

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Guide to Selecting Subrecipients

Due diligence before the award

- Pass-through entity's internal controls system**
 - Written procedures
 - Evaluation factors for selecting subrecipients
 - Conflict of interest provisions
- Risk assessment required 200.331(b)**
 - Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring

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Risk Assessment

200.331 (b) Required Factors:
Prior experience with same or similar activities
New personnel or new systems
Results of Federal agency monitoring
Results of previous audits

Other Factors to Consider:
History of performance and reporting
Adequacy of internal control structure and budget controls
Financial stability

If deemed at risk, consider imposing special conditions to the agreement?

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Special Conditions Needed?

2 CFR 200.207

Subaward

Requiring more detailed financial reports	Requiring additional monitoring, training, or technical assistance	Operating in phases	
Paying by reimbursements	Prompt removal when conditions corrected	Establishing additional prior approvals	Notification requirements 200.207(b)

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What is in a Subaward?

2 CFR 200.331

Terms and Conditions

Identify agreement as subaward to subrecipient	Include 13 required items of information	Identify all Federal and PTE requirements	Access to records
Approved indirect cost rate if any	Closeout and audit requirements	Special conditions per risk assessment	Remedies for non-compliance (200.338)

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Identify Reporting Requirements

Considerations

-  Information you must report to ETA
 - Program income and leveraged resources
 - Accrued expenditures, unliquidated obligations, etc.
-  Due dates: meet your own reporting deadlines
-  Frequency: for effective grant management
-  Additional data items?
 - To track program/financial performance
 - Costs by activities?
 - Budget and line item restrictions?

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Status Check

Are the statements true or false?

- ? The pass through entity is accountable and potentially liable for all of the actions of its subrecipients.
- ? It is in the pass-through entity's best interest to identify the items of information and frequency in which reports are submitted by its subrecipients.
- ? Subrecipient management begins during the pre-award phase, and includes a risk assessment and stipulating subaward terms and conditions.
- ? The recipient must have written procedures and evaluation factors for selecting subrecipients.

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Post-Award Phase: Monitoring Methods

Learning objectives for this section

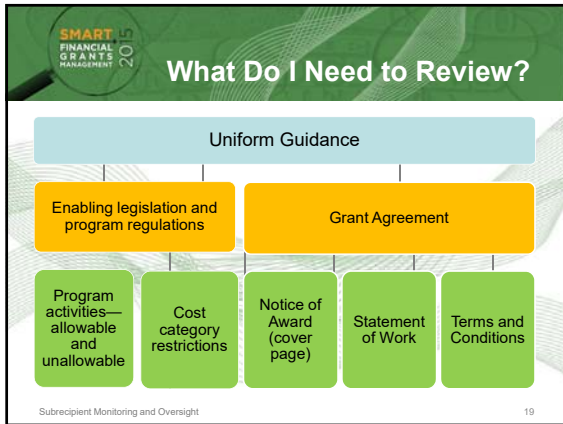
- Implement a process for performing on-site monitoring of subrecipients and issuing reports on monitoring findings

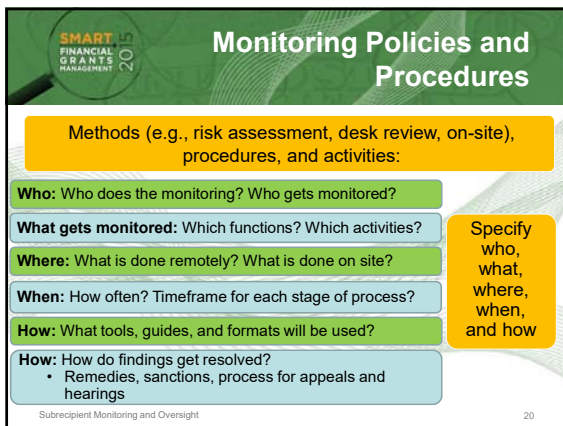
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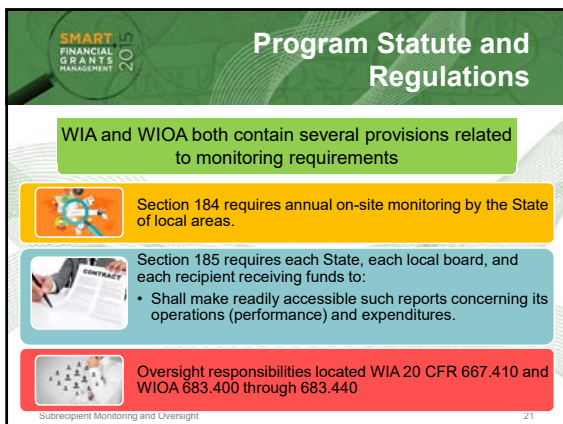
Essentials

-  Policies and procedures
-  Tools and guides
-  Staff and resources
 - Adequate staffing
 - Knowledgeable monitors
 - Other resources
 - Budgetary resources—travel, training
 - Online training is available
 - Access to information

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Report Review and Analysis

Assure timeliness and accuracy of reports

Assess progress in achieving goals

Identify trends

- Predict progress
- Uncover problems

Coordinate review of fiscal and program reports together

- Can reveal a more complete picture of overall performance

Subrecipient Monitoring and Oversight 22

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Performance Monitoring

Pass-Through Entities

- Pass-through entities are required to monitor subrecipients to ensure that subaward performance goals are achieved

200.328(b)(2) Requires Performance Reporting by Non-Federal Entities

- Submit performance reports comparing actual accomplishments to award objectives; unit cost computations if useful; performance trend data and analysis if informative
 - Include reasons for slippage if objectives not met
 - Analysis of cost overruns or high unit costs if appropriate

Subrecipient Monitoring and Oversight 24

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Desk Monitoring

Alternative to, preparation for, or supplemental to on-site monitoring

May lead to on-site monitoring

Review of collected subrecipient information

- To get a better sense of on-going operations
- To identify and respond to rising issues
- To focus future on-site reviews

Should be formally documented

Subrecipient Monitoring and Oversight 26

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On-Site Monitoring

2 CFR 200.331(d)

Non-Federal entities must monitor to ensure subaward is:

- Used for authorized purposes
- Operating in compliance with Federal laws and regulations
- Consistent with the terms and conditions of subaward

Subrecipient Monitoring and Oversight 28

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On-Site Monitoring

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Audit vs. Monitoring

Monitoring...

- Is current and immediate
- Is usually performed by pass-through entity staff
- Is preventative

An audit...

- Occurs after the end of the fiscal period
- Often takes place after the end of grant
- Report is due not later than nine months after period of performance
- Is corrective and curative

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Audit

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Pre-Review Collection of data and reports

- Grant documents
 - Scope of work, budget, and narrative
- Organizational chart
- Performance reports
- Expenditure reports and spending rates
- Monitoring reports
- Audit reports



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Information and Coordination



- Identify risks
- Locate records
- Schedule appointments
- Specify all documents needed
- Hold entrance conference
 - Purpose of review, daily schedule
 - Schedule exit conference
- Hold exit conference as scheduled

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On-Site Monitoring

Review systems

Review policies and procedures

Interview staff at entity or subrecipient level

Sample transactions
• View source documents


Open-ended questions get better information

Test internal controls

Compare all information gathered

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34



Finding


A finding is any "specific violation of":

- Law
- Regulations
- OMB guidance
- Award agreement
- Formal policy
- TEGL

Always require action to correct the violation

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35



Questioned Costs

2 CFR 200.84

Results from a violation or possible violation of:

- Law
- Regulation
- Terms and conditions of a Federal award, or
- Costs not supported by adequate documentation, or
- Costs incurred appear unreasonable

2900.3 DOL exception

Includes a cost questioned by:

- An auditor
- A Federal project officer, or
- A grant officer

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36

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Observation or Area of Concern

 Activities related to effectiveness objectives or indicators have not been met and could possibly result in a finding at some later point if not addressed.


 Not specific compliance violations, but may have negatively impacted program or could lead to a finding in the future.


 Traditionally, no corrective action is specified but suggestion for improvement may be made.


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Exit Meeting

 List & provide a brief explanation of potential findings/areas of concern & questioned costs

 Summarize additional information that non-Federal entity is to provide

 List and provide a brief explanation of promising practices

 Discuss time frame for:

- Written report
- Response

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Writing an Effective Monitoring Report

- Be timely
- Be specific
- Be open
- Be clear
- Be consistent
- Be correct
- Be convincing



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Writing an Effective Monitoring Report

- Be timely
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Structure of a Finding

The 4 C's:
Condition, criteria, cause, and corrective action

Condition: *Describe the problem*

Criteria: *Specify regulation/policy in question*

Cause: *Explain why the problem exists*

Corrective action: *Propose needed remedy*

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Finding: Condition

Condition: Describe and document any conditions that constitute a compliance violation that were found during the desk review and on-site monitoring visit.

For example:

"No physical inventory of equipment and other capital assets was taken during the last three fiscal years."

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Finding: Criteria

Criteria: Specify the statutory, regulatory, OMB guidance citation, or formal policy/procedure that was not met. Any gaps identified must be documented, along with recommendations for reconciliation.

For example:

"The Uniform Guidance at 2.CFR 200.313(d)(2) states that at a minimum a physical inventory must be conducted every two years."

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Finding: Cause

Cause: Determine and document the cause of each condition. If the immediate cause(s) are undeterminable, due to lack of verification/sufficient documentation, omit a description and state that the cause could not be determined.

For example:

"The subrecipient was unable to locate or track several pieces of equipment purchased over the last three years resulting in a lack of accountability of grant assets."

Subrecipient Monitoring and Oversight 44

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Finding: Corrective Action

Corrective Action: It is important to specify what corrective action the subrecipient must take to remedy the problem and the timeframe for completing the recommended changes.

For example:

"The agency must implement a policy requiring an annual or biannual inventory of all equipment, identify the staff position responsible for conducting the inventory, and submit a copy of the policy and a completed inventory report to this office within 30 days."

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Post-Award: Resolution Process

Learning objectives for this section

- Define management decision
- Identify remedies for resolving monitoring and audit findings

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Resolution Process

Receive Corrective Action Plan from subrecipient

- What will subrecipient do and when
- Who will do it
- What is the intended outcome

Questioned Costs

- Provide missing documentation
- Make repayment
- Transfer cost to non-Federal source

Track until corrective action is completed. Verify on site if appropriate.

If action is not completed within required timeframe, determine appropriate actions.

Subrecipient Monitoring and Oversight 47

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Resolution Process

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Subrecipient Monitoring and Oversight 48

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If Corrective Action Is Not Completed (1 of 2)



- Initial Determination
- Informal Resolution
- Final Determination
- Establish Debt
- Require corrective action
- Determine liability, restitution, and sanctions
- Opportunity for hearing

Take Formal Action **Recommended Process**


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If Corrective Action Is Not Completed (2 of 2)

WIA 667.500 and WIOA 683.440 Resolution of Findings

Requires State to use the audit resolution, debt collection, and appeal procedures that it uses for other Federal grant programs to resolve audits, investigations, monitoring, and oversight findings.



If no such procedures exist, State must prescribe standards and procedures to be used.



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Remedies for Noncompliance


2 CFR 200.338

Pass-through entity may take action:

- Impose special conditions per 200.207
- Take one or more specific actions authorized in the Uniform Guidance


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Authorized Actions to Respond to Noncompliance

- Temporarily withhold cash payments or place on a reimbursement basis
- Disallow all or part of the cost of the activity or action not in compliance
- Wholly or partly suspend or terminate grant
- Recommend suspension or debarment proceeding be initiated by a Federal awarding agency
- Withhold further Federal awards for the project or program
- Take other remedies that may be legally available


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Management Decisions

- 2 CFR 200.521**
 - No prescribed system of resolution
 - Ensure corrective action
 - Allow or disallow costs
 - Establish debt
 - Provide appeal rights
- 2900.21 DOL exception**
 - Issue management decision on audits within 12 months of audit acceptance by Federal Audit Clearinghouse (FAC)

Subrecipient Monitoring and Oversight 53






Management Decisions

- 2 CFR 200.521**
 - No prescribed system of resolution
 - Ensure corrective action
 - Allow or disallow costs
 - Establish debt
 - Provide appeal rights
- 2900.21 DOL exception**
 - Issue management decision on audits within 12 months of audit acceptance by Federal Audit Clearinghouse (FAC)

Subrecipient Monitoring and Oversight 54

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Consequences of an Ineffective Monitoring Process

-  Failure to monitor can leave the program open to fraud, waste, and abuse.
-  Unallowable activities, costs, and ineligible participants may not be found until the award is monitored or audited.
-  Problems that could easily be solved by training or technical assistance will not be detected or resolved.

Subrecipient Monitoring and Oversight 55

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Consequences of an Ineffective Monitoring Process





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Subrecipient Monitoring and Oversight 56

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Status Check

Are the statements true or false?

-  The recipient is responsible for issuing management decisions on audit and monitoring findings.
-  Monitoring methods include report review and analysis, desk monitoring, on-site monitoring, and audit.
-  A questioned cost is subject to disallowance when it is a violation of law, regulation, and subaward terms and conditions.
-  Once the subaward has expired, there is no further need for resolution of findings.

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Closeout

Learning objectives for this section

- Identify the requirements for closeout of subrecipient awards

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What is Closeout?

2 CFR 200.16

Closeout means the process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes actions as described in §200.343 Closeout.

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Pass-Through Entity Responsibilities at Closeout

- Monitor and track all grant-related expenditures
- Obtain final cost reports
- Obtain final performance reports
- Incorporate subrecipient-level reported data into pass-through entity's final reports
- Maintain source documentation
- Ensure the proper closeout of all subawards
- Ensure that applicable audits are performed and resolved

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Common Subrecipient Closeout Issues

- Government property inventory list 
- Subrecipient match requirement 
- Delays in submission 
- Program income 
- Potential stand-in costs 
- Costs incurred after subgrant expiration 

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Common Subrecipient Closeout Issues

- Government property inventory list 
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- Program income 
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Authority After Closeout

Closeout does not affect:

- Disallowances
- Debts
- Access to Records
- Property Management
- Audit

 DOL and non-Federal entities reserve the right to collect debts and access records throughout the period of record retention

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Status Check




Are the statements true or false?

- ? The closeout requirement in the Uniform Guidance applies only to ETA and not to the direct recipient.
- ? After closeout is completed, no further actions are required of the subrecipient.
- ? Program income that remains at closeout may be retained by the subrecipient.
- ? The recipient is responsible for ensuring that its subrecipients meet audit requirements.

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Key Concepts

-  Conduct a risk assessment of potential subrecipients
-  Manage subrecipients and be accountable for their actions
-  Meet the oversight and monitoring requirements


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Key Concepts

-  Take corrective action on findings
-  Issue management decisions on monitoring and audit findings
-  Conduct closeout of subawards

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Knowledge Check

On a scale of 1 (lowest) to 5 (highest), rate your knowledge and understanding of the following by **circling** the appropriate number in the column of the sheet, labeled Post-Training for each of the statements.

- The requirements for conducting a risk assessment of subrecipients prior to making subawards.
- The specific conditions that may be attached to a subaward.
- The methods that the pass-through entity should use to conduct monitoring of subawards.
- What a management decision is and when the pass-through entity must issue one.
- The remedies that the pass-through entity may impose to address compliance violations.

Subrecipient Monitoring and Oversight 67



THANK YOU!

Please complete your evaluations.

Audits: Reports and Resolution

Why This Session Is Needed

Key Features Updated	Identify responsibilities in meeting the Single Audit requirements
Discuss the Single Audit reports and schedules.	Identify the responsibilities and steps for resolution

Audit Reports and Resolution 2

Lesson Overview & Module Objectives

What has Changed?	<ul style="list-style-type: none">Identify the changes that impact the revised Single Audit requirements at the Federal and recipient levels
Audit Reports	<ul style="list-style-type: none">Recognize the components of a Single Audit report.
Federal, Recipient and Subrecipient Resolution Requirements	<ul style="list-style-type: none">Define auditee responsibilitiesIdentify the DOL's resolution process
Debt Collection	<ul style="list-style-type: none">Review the debt collection requirements

Audit Reports and Resolution 3

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Knowledge Check

On a scale of 1 (lowest) to 5 (highest), rate your knowledge and understanding of the following by **circling** the appropriate number in the middle column of the sheet, labeled *Pre-Training*, for each of the statements.

?

- I am fully aware of the dollar thresholds for the revised Single Audit requirements.
- I understand the applicability of these requirements, including DOL's exception that expands its coverage.
- I can identify the reports and schedules that make up a Single Audit Report.
- I am cognizant of the resolution process of the Federal awarding agencies and the pass-through entities.
- I am familiar with the requirements for debt collection.

Audit Reports and Resolution 4

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What has Changed?

Learning objectives for this section

- Identify the changes that impact the revised Single Audit requirements at the Federal and recipient levels

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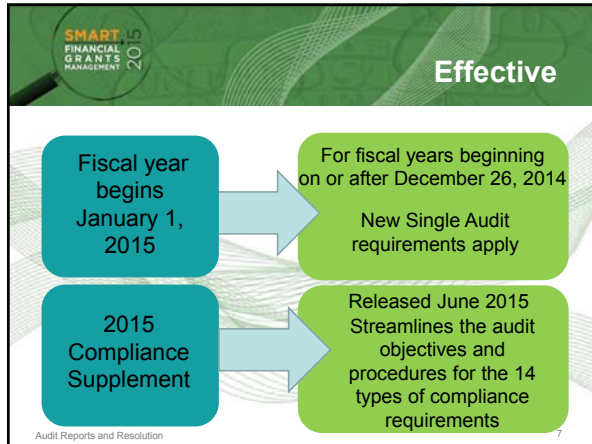
Applicability

All recipients and subrecipients of a Federal award:

Non-profit organizations	States & local governments
Indian tribes	Institutions of Higher Education (IHE)

NEW-For-profit or commercial entities
Foreign organizations and foreign public entities
DOL exception 2 CFR 2900.2

Audit Reports and Resolution 6



New Dollar Threshold

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A Single Audit or program-specific audit is required when a non-Federal entity **expends \$750,000** or more in Federal awards in a fiscal year [2 CFR 200.501(a)]

- Must make records available for audit or review by the Federal agency, its pass-through agency, and/or GAO
- Basis for determining Federal awards has been expanded to include accrued costs, disbursements to subrecipients [200.502]
- Federal Agency or Inspectors General (OIG) may require audits to meet regulatory or statutory requirements

Expend less than \$750,000 -- exempt for that fiscal year

Audit Reports and Resolution 8

Single Audit Alternatives

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- If not subject to Single Audit
- Types of alternative audits
 - Program specific
 - Limited scope
 - Agreed-upon procedures
- Costs (200.425)
 - Federal agency may pay for additional audits
 - Additional audits - Unallowable cost
 - Pass-through entities pay for oversight audits

Audit Reports and Resolution 9

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What is the Single Audit?

EVALUATE
Process of collecting and evaluating financial evidence to formulate an independent, professional opinion or other judgment about assertions made by management

AUDIT
Covers the operations of the non-Federal entity

Conducted by an independent auditor in accordance with Generally Accepted Government Auditing Standards (GAGAS) (200.7)

Utilizes of the Compliance Supplement


Audit Reports and Resolution 10

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Purpose of Single Audit Act

OMB Circular A-133

- Set standards for obtaining consistency and uniformity among Federal agencies
 - Audit of non-Federal entities expending Federal awards
 - Provides an overview of an organization's financial operations

 Is NOT intended to provide detailed financial coverage or in-depth review of individual programs/awards

Audit Reports and Resolution 11

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Frequency and Timing

Audits are to be performed annually (200.504)

Submission of audit report and data collection form to Federal Audit Clearinghouse [200.512(a)] within the earlier of:

- Biennial audit exceptions continue for certain states
- One month after receipt of audit report or
- Nine months after the end of the audit period (fiscal year)

Audit Reports and Resolution 12

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Audit Record Retention Period

Auditee must retain a copy of the Data Collection form (SF-SAC) and Reporting Package

- Minimum 3 years from submission to the FAC
- May be extended if issues remain open
- Make available upon request

Audit Reports and Resolution 16

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Federal Agency Responsibilities Records

2 CFR 200.513

Responsibilities

- Cognizant agency for audit responsibilities ((a)(1))
 - >\$50 million expended
 - Predominant amount of Federal funding
- Based on direct Federal awards expended ((a)(2))
 - 2009, 2014, 2019 and every fifth year
- May reassign cognizance((a)(3))
 - Provides technical audit advice and liaison assistance for auditees and auditors
- If no cognizant agency (200.513(b))

Audit Reports and Resolution 17

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Auditee Responsibilities (1 of 3)

-  Procure/arrange for audit in accordance with 200.509
-  Prepare appropriate financial statements
-  Promptly follow up on corrective actions
-  Provide access to auditor of needed information

Audit Reports and Resolution 18

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Auditee Responsibilities (2 of 3)

-  Identify all Federal awards received and expended by program
-  Maintain internal control over Federal programs
-  Comply with laws, regulations, and provisions of contracts or grant agreements
-  Ensure audits are properly performed and submitted when due

Audit Reports and Resolution 19

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Auditee Responsibilities (3 of 3)

- Auditor Selection
 - Always purchase audit services through a competitive procurement process
 - Allow for peer review [200.509]
- Pass-through entity responsibilities [200.331(c)]
 - Ensure that subrecipients meet audit and grant requirements
 - Prepare management decisions on subrecipient audit findings
 - Pursue debt collection







Audit Reports and Resolution 20

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Status Check

Are these statements true or false?

-  The dollar threshold for a single audit has increased to \$1 million.
-  The audit reports may be mailed to the FAC. Only the data collection form must be submitted electronically.
-  Auditees are responsible for preparation of all financial data.
-  Cognizant agency responsibilities always belong to the entity that provides the most funding.

Audit Reports and Resolution 21

Audit Reports

Learning objectives for this section

- Recognize the reports and schedules contained in every audit report and audit reporting package

Audit Report Framework

Single Audit

List by CFDA Numbers, program clusters, Federal awarding agencies, and subrecipient awards

Findings may include significant deficiencies and/or material weaknesses

Report on Financial Statements (Opinion)	Report on Major Program Compliance (Opinion)	Must identify auditee as low risk or high risk 4 Opinions – Unmodified, Qualified, Adverse, or Disclaimer
Report on Schedule of Expenditures of Federal Awards (SEFA) (Opinion)	Report on Internal Controls over Major Program Compliance (Opinion)	
Report on Internal Controls over Financial Reporting	Schedule of Findings and Questioned Costs	Must identify Type A & B Major Programs Including use of the 10% de minimis rate
Schedule of Internal Controls	Schedule of Prior Audit Findings	
Notes on Significant Accounting Policies		

Audit Reports and Resolution 23

Audit Report Contents

SMART COMMUNITY COLLEGE
 Report on Federal Awards in Accordance with OMB Uniform Guidance
 Date: **December 31, 2014**

Harvard University
 Report on Federal Awards in Accordance with OMB Circular A-133
 Date: **June 30, 2013**

Part I - Financial Statements and Schedule of Expenditures of Federal Awards	Page(s)
Independent Auditor's Report	1-2
Financial Statements	3-6
Notes to the Financial Statements	7-12
Schedule of Expenditures of Federal Awards	13-48
Notes to the Schedule of Expenditures of Federal Awards	50-55
Part II - Reports on Internal Control and Compliance	
Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance with Other Matters Based on an Audit of Financial Statements Pursuant to OMB Circular A-133 and Government Auditing Standards	59-69
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	61-63
Part III - Findings	
Schedule of Findings and Questioned Costs	64-67
Summary of Status of Prior Audit Findings	68-100
Management's Views and Corrective Action Plan	101-102


Audit Reports and Resolution 24

SMART FINANCIAL GRANTS MANAGEMENT 2015

Types of Opinions (1 of 2)

2 CFR 200.515.(d)(1)(i)

- **UNMODIFIED OPINION** states that the financial statements are presented fairly in conformity with GAAP.
– **Auditor's Clean Bill of Health**
- **QUALIFIED OPINION**
The financial statements present the entity's financial position, results of operations, and cash flows in conformity with GAAP, except for the matter of the qualification.



Audit Reports and Resolution 25

SMART FINANCIAL GRANTS MANAGEMENT 2015

Types of Opinions (2 of 2)

- **ADVERSE OPINION**
The auditor concludes that the financial statements do not present the entity's financial position, results of operations, and cash flows in conformity with GAAP.
- **DISCLAIMER OF OPINION** Issued when the auditor is unable to form an opinion on an entity's financial statements. 3 major reasons will result in disclaimer

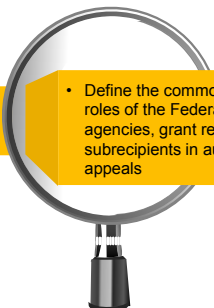
Audit Reports and Resolution 26

SMART FINANCIAL GRANTS MANAGEMENT 2015

Federal, Recipient and Subrecipient Resolution Requirements

Learning objectives for this section

- Define the common and unique roles of the Federal awarding agencies, grant recipients, and subrecipients in audit resolution and appeals




SMART FINANCIAL GRANTS MANAGEMENT 2015

Audit Resolution Process for Recipients

- Ensure corrective action
- Allow or disallow costs
- Determine applicability of "stand-in" costs
- Provide appeal rights
- Establish debt

For subrecipients, the pass-through entity must issue a management decision within 12 months of the audit acceptance by FAC [2900.21]



Audit Reports and Resolution 28

SMART FINANCIAL GRANTS MANAGEMENT 2015

Non-Federal Entities


No prescribed system in Uniform Guidance

Must

- Have process & procedures
- Charge interest on overdue debts

May

- Make an administrative offset
- Withhold advance payments or
- Take other actions
 - As permitted by Federal statute



If funding period has elapsed, return funds to ETA

Audit Reports and Resolution 29

SMART FINANCIAL GRANTS MANAGEMENT 2015

Non-Federal Appeal Process

- Non-Federal entities**
 - No prescribed system
 - Must have process & procedures
- States**
 - Must use the audit resolution, debt collection and appeal procedures that they use for other Federal grant programs [667.500(a)(2)]
- Other Non-Federal Entities**
 - Must provide opportunity for informal resolution and hearing [667.600(b)]

Audit Reports and Resolution 30


SMART FINANCIAL GRANTS MANAGEMENT 2015

WIA & WIOA Considerations

Non-Federal Resolution of WIA Audits

- Governor is responsible for resolving the audit findings related to LWIAs and other subrecipients (20 CFR 667.500)
- Must use same resolution process, debt collection, and appeals procedures for WIA as for other grant programs

WIOA (statute only info)



Audit Reports and Resolution 31

SMART FINANCIAL GRANTS MANAGEMENT 2015

DOL Resolution Process

- Cooperative Audit Resolution Process (DOL exception @ 2 CFR 2900.20)
- At a minimum, the process includes
 - An Initial Determination
 - An informal resolution process
 - A Final Determination
- Time frames
 - Within 180 days of receipt from OIG




SMART FINANCIAL GRANTS MANAGEMENT 2015

DOL Pre-Resolution Stage

Accept audit or return for additional work

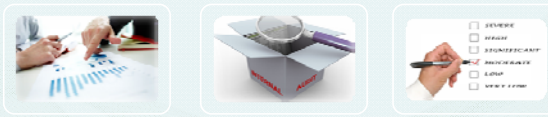
- ✓ Provide opportunity for additional documentation
- ✓ Establish time frames
- ✓ Provide contact information

Or return for additional work



SMART FINANCIAL GRANTS MANAGEMENT 2015

DOL Initial Determination (1 of 2)



- Permissibility of questioned costs/activities
- Administrative or system findings
- Sufficiency of corrective actions proposed by recipient

SMART FINANCIAL GRANTS MANAGEMENT 2015


DOL Initial Determination (2 of 2)



- Review additional material
- Determine use of "stand-in" costs
- Followed by a period of informal resolution

SMART FINANCIAL GRANTS MANAGEMENT 2015

DOL Final Determination







- ✓ Results of informal resolution period
- ✓ Matters where disagreement exists
- ✓ Changes to facts stated in Initial Determination
- ✓ Required corrective action
- ✓ Sanctions
- ✓ Appeal rights

Audit Reports and Resolution 36

SMART FINANCIAL GRANTS MANAGEMENT 2015

Stand-In Costs (1 of 2)

Comptroller General Decision B-208871.2





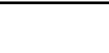
-  Allowable costs substituted for disallowed costs
-  Additional grant-activity costs not financed by grant
-  Included in audit scope
-  Not resulting in cost-limitation violation

Audit Reports and Resolution 27

SMART FINANCIAL GRANTS MANAGEMENT 2015

Stand-In Costs (2 of 2)

Additional Conditions

-  Accounted for in recipient or subrecipient financial system
-  Documented in same manner as all grant costs
-  In-kind contributions not acceptable
-  Same time period
-  Costs of same organization

Audit Reports and Resolution 28

SMART FINANCIAL GRANTS MANAGEMENT 2015

DOL Appeal Process

2900.22 Audit Requirements—Appeal Process for Department of Labor Recipients

Grantor agency decides between two options

Appeal to head of grantor agency

- ✓ Identify issues to be reviewed
- ✓ Decision issued within 90 days after closing of record

Appeal to Administrative Law Judge

- ✓ Identify issues to be reviewed
- ✓ Decision issued within 90 days
- ✓ Further limited appeal to Secretary of Labor

Audit Reports and Resolution 39

SMART FINANCIAL GRANTS MANAGEMENT 2015

DOL Appeal Process

2900.22 Audit Requirements—Appeal Process for Department of Labor Recipients

Grantor agency decides between two options

- Appeal to head of grantor agency**
 - ✓ Identify issues to be reviewed
 - ✓ Decision issued within 90 days after closing of record
- Appeal to Administrative Law Judge**
 - ✓ Identify issues to be reviewed
 - ✓ Decision issued within 90 days
 - ✓ Further limited appeal to Secretary of Labor

Audit Reports and Resolution 40

SMART FINANCIAL GRANTS MANAGEMENT 2015

Status Check

Are these statements true or false?

- ? DOL uses a cooperative audit resolution process to resolve all audit findings
- ? Pass-through entities must also use the cooperative audit resolution process
- ? The use of stand-in costs will expire with the implementation of WIOA and the Uniform Guidance audit requirements

Audit Reports and Resolution 41

SMART FINANCIAL GRANTS MANAGEMENT 2015

Debt Collection

Learning objectives for this section

- Identify the requirements and responsibilities for debt collection at all funding levels

SMART FINANCIAL GRANTS MANAGEMENT 2015

Federal Debt Collection (1 of 2)

2 CFR 200.345

Collection of amounts due

- Federal debt collection provisions
 - Debt established in Management Decision (Final Determination) payable in 30 days
 - If not paid within 90 days Federal awarding agency may reduce the debt by:
 - Making an administrative offset
 - Withholding advance payments or
 - Taking other action permitted by Federal statute
 - Interest charged on overdue debt



Audit Reports and Resolution 43

SMART FINANCIAL GRANTS MANAGEMENT 2015

Federal Debt Collection (2 of 2)

WIA grants only



- Waiver of liability (Rare)
- Prior approval of proposed corrective actions

Audit Reports and Resolution 44

SMART FINANCIAL GRANTS MANAGEMENT 2015

Prior Approval




- Contemplated corrective actions
 - Including debt collection
- Direct recipient request of Grant Officer
- Criteria are listed in 20 CFR 667.730(b)
 - Substantially the same as waiver of liability

Audit Reports and Resolution 45

SMART FINANCIAL GRANTS MANAGEMENT 2015

WIA Waiver of Liability

- Direct recipients may request waiver from their Grant Officer
- 20 CFR 667.720(c)(1-5)
 - Subrecipient level
 - Not gross negligence, willful disregard, or failure to follow standards
 - If fraud, aggressive action taken by recipient
 - Debt established and appeal process exhausted
 - Further debt collection futile
 - Formal request with supporting documents



Audit Reports and Resolution 46

SMART FINANCIAL GRANTS MANAGEMENT 2015

Offset

2 CFR 200.345

Collection of Amounts Due

- Federal agencies may offset future payments if the debt is not paid within 90 days
- WIA (667.740) offset with Grant Officer approval if disallowed expenditure is not due to willful disregard, gross negligence, failure to follow standards
 - Recipient-level disallowed expenditures offset against recipient administrative funds
 - For subrecipient expenditures disallowed against the state, state offset against subrecipient administrative funds
- U.S. Treasury
 - Any source of funds
- Still must expend at level demanded by the allotment

Audit Reports and Resolution 47

SMART FINANCIAL GRANTS MANAGEMENT 2015

Offset

2 CFR 200.345

Collection of Amounts Due

- Federal agencies may offset future payments if the debt is not paid within 90 days
- WIA (667.740) offset with Grant Officer approval if disallowed expenditure is not due to willful disregard, gross negligence, failure to follow standards
 - Recipient-level disallowed expenditures offset against recipient administrative funds
 - For subrecipient expenditures disallowed against the state, state offset against subrecipient administrative funds
- U.S. Treasury
 - Any source of funds
- Still must expend at level demanded by the allotment

Audit Reports and Resolution 48

SMART FINANCIAL GRANTS MANAGEMENT 2015

Status Check

Are the statements true or false?

- ? Offset is available as a method of debt repayment for the Federal agency only.
- ? Debts are established at the time of Final Determination or Management Decision.
- ? There are additional debt repayment options available to WIA formula funded recipients.

Audit Reports and Resolution 49

SMART FINANCIAL GRANTS MANAGEMENT 2015

Knowledge Check

On a scale of 1 (lowest) to 5 (highest), rate your knowledge and understanding of the following by circling the appropriate number in the middle column of the sheet, labeled Pre-Training, for each of the statements.

- ? I am fully aware of the dollar thresholds for the revised Single Audit requirements
- ? I understand the applicability of these requirements including DOL's exception that expands its coverage.
- ? I can identify the reports and schedules that make up a Single Audit Report
- ? I am knowledgeable of the resolution process of the Federal awarding agencies and the pass-through entities
- ? I am familiar with the requirements for debt collection


Audit Reports and Resolution 50

SMART FINANCIAL GRANTS MANAGEMENT 2015

Key Concepts

- Identify the changes that impact the revised Single Audit requirements,
- The Uniform Guidance establishes requirements for pass-through entities
- The appeals process for DOL grantees found in the DOL exceptions
- Recognize reports and schedules

Audit Reports and Resolution 51



Diligence is a good thing, but taking things
easy is much more—restful
~Mark Twain

THANK YOU!
PLEASE COMPLETE YOUR EVALUATIONS

Complaints, Grievances and Incident Reports



Why This Session Is Needed

Required process for complaints and grievances	Different processes for discrimination complaints
Fraud, waste and abuse reporting	Mandatory disclosure of criminal violations

Complaints, Grievances and Incident Reports 2

Lesson Overview & Module Objectives

- Program-Related Complaints and Grievances
- Discrimination Complaints
- Allegations of Fraud, Misconduct and Abuse

- Distinguish between the different types of allegations
- Describe the requirements for handling complaints of discrimination
- Describe the requirements for identifying and reporting incidents of fraud, waste, and abuse
- Describe the processes that recipients must establish to handle and resolve all these issues

Complaints, Grievances and Incident Reports 3

SMART FINANCIAL GRANTS MANAGEMENT 2015

Knowledge Check

On a scale of 1 (lowest) to 5 (highest), rate your knowledge and understanding of the following by **circling** the appropriate number in the middle column of the sheet, labeled Pre-Training, for each of the statements.

?

- Required grievance and complaint procedures, timeframes, and appeal rights.
- Different requirements applicable to processing a program complaint and a discrimination complaint.
- Laws, executive orders, and regulations that establish the legal bases for discrimination complaints.
- Types of activities that trigger the need to file an Incident Report.
- How to prepare an Incident Report and where to file it.

Complaints, Grievances and Incident Reports 4

SMART FINANCIAL GRANTS MANAGEMENT 2015

Program-Related Complaints and Grievances

Learning objectives for this section

- Distinguish between the different types of allegations

SMART FINANCIAL GRANTS MANAGEMENT 2015

Three Types of Allegations


- Program-Related Complaints and Grievances**
 - Participants
 - Service providers
 - Procurement-related parties
 - Employees
 - Other interested or affected parties
- Discrimination**
- Allegations of fraud or other forms of misconduct**

Complaints, Grievances and Incident Reports 6

SMART FINANCIAL GRANTS MANAGEMENT 2015

Grievance Procedures: Statutes

WIA and WIOA contain identical language in identical locations in the respective laws:







SEC. 181. REQUIREMENTS AND RESTRICTIONS
 (c) Grievance Procedure.--
 1) In general.--Each State and local area receiving an allotment under this title shall establish and maintain a procedure for grievances or complaints alleging violations of the requirements of this title from participants and other interested or affected parties.

Complaints, Grievances and Incident Reports 7

SMART FINANCIAL GRANTS MANAGEMENT 2015

Grievance Procedures: All WIA/WIOA Recipients

Each state, local area and direct grant recipient must:

-  Establish and maintain a procedure for grievances or complaints alleging violations of the Act.
-  Provide information on these procedures to participants and other interested or affected parties, including one-stop partners and service providers.
-  Require every entity receiving Title I funds to provide this information to their participants.
-  Assure that the information is understood by affected individuals, including youth and limited-English speaking.

20 CFR 667.600


Complaints, Grievances and Incident Reports 8

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Components of WIA/WIOA Resolution Systems (1 of 2)

Notifications:

- Inform participants and other interested parties of the process and **their** acknowledgement of receipt of procedures
- Written notice of final resolution, including
 - Statement of facts, decisions and rationale, and corrective actions or remedies, if any
- Appeal rights and procedures



CONFLICT:
RESOLVED
CONTINUED

Policies and procedures for WIOA complaints

Complaints, Grievances and Incident Reports 9

SMART FINANCIAL GRANTS MANAGEMENT 2015

Components of WIA/WIOA Resolution Systems (2 of 2)

Staff assigned to manage the process

- Equal Opportunity officer or
- Complaints officer, or
- Authorized decision maker

Timelines

Prescribed method of investigating the complaint

Final resolution and appeal rights

Appeal

Complaints, Grievances and Incident Reports 10

SMART FINANCIAL GRANTS MANAGEMENT 2015

WIA/WIOA Grievance Procedures: LWIAs

Process for dealing with grievances and complaints from participants and other interested parties

Opportunity for informal resolution and hearing to be completed within 60 days from date of filing

**20 CFR 667.600(c)
Procedures must include:**

Binding arbitration procedure, if required by collective bargaining agreement, for alleged labor standards violation

Opportunity for appeal to the state if:

- No decision within 60 days
- Either party is dissatisfied with the local hearing decision

Complaints, Grievances and Incident Reports 11

SMART FINANCIAL GRANTS MANAGEMENT 2015

WIA/WIOA Grievance Procedures: States

20 CFR 667.600(d) Procedures must include

Resolving grievances and complaints in 60 days

Hearing appeals from local areas in 60 days

Remanding local WIA-related complaints

Opportunity for informal resolution and hearing

Additional state appeal procedures for

- Non-designation of local areas
- Denial or termination of training providers, providers of OJT and customized training, one-stop operators
- Testing and sanctioning for controlled substances

Complaints, Grievances and Incident Reports 12

SMART FINANCIAL GRANTS MANAGEMENT 2015

WIA/WIOA Grievance Procedures: States

20 CFR 667.600(d) Procedures must include

- Resolving grievances and complaints in 60 days
- Hearing appeals from local areas in 60 days
- Remanding local WIA-related complaints

Additional state appeal procedures for

- Non-designation of local areas
- Denial or termination of training providers, providers of OJT and customized training, one-stop operators
- Testing and sanctioning for controlled substances

Opportunity for informal resolution and hearing

Complaints, Grievances and Incident Reports 13

SMART FINANCIAL GRANTS MANAGEMENT 2015

WIA/WIOA Grievance Procedures: Direct Recipients

20 CFR 667.600(e) Procedures must include

- Process for dealing with grievances and complaints from participants and other interested parties, including complaints against subrecipients and other service providers
- Opportunity for informal resolution and hearing to be completed within 60 days of date of filing

Complaints, Grievances and Incident Reports 14

SMART FINANCIAL GRANTS MANAGEMENT 2015

DOL's Limited Role

Appeals to Secretary of Labor limited to when:

State does not issue a decision within 60 days on an original complaint or on an appeal/hearing

- Either party may file appeal to Secretary within 120 days of date of original complaint or appeal

- Party to which state decision is adverse may appeal to Secretary within 60 days of decision
- Appeal of non-designation of local areas if filed within 30 days of denial of designation
- Appeal by local area within 30 days if state revokes local plan or imposes reorganization plan

Complaints, Grievances and Incident Reports 15

SMART FINANCIAL GRANTS MANAGEMENT 2015

Status Check

Are the statements true or false?

- ? Every WIA-funded recipient must have a procedure for resolving complaints and grievances.
- ? Subrecipients are not required to provide access to a process for hearing complaints and grievances.
- ? Every WIA-funded recipient must provide an opportunity for informal resolution and hearing to be completed within 60 days from date of filing.
- ? All adverse decisions may be appealed to DOL.

Complaints, Grievances and Incident Reports 16

SMART FINANCIAL GRANTS MANAGEMENT 2015

Discrimination Complaints

Learning objectives for this section

- Describe the requirements for handling complaints of discrimination

SMART FINANCIAL GRANTS MANAGEMENT 2015

Statutes Prohibit Discrimination

Among the many relevant statutes are:

- WIA and WIOA Section 188
- Title VII Civil Rights Act of 1964 as amended
- Civil Rights Act of 1991
- Equal Pay Act 1963
- Lilly Ledbetter Fair Pay Act 2009
- Section 504, Rehabilitation Act of 1973
- Americans With Disabilities Amendments Act 1990
- Age Discrimination in Employment Act 1967
- No Fear Act 2002
- State statutes

Complaints, Grievances and Incident Reports 18

SMART FINANCIAL GRANTS MANAGEMENT 2015

Other Prohibitions on Discrimination

Executive Order 13160

- Nondiscrimination on the Basis of Race, Sex, Color, National Origin, Disability, Religion, Age, Sexual Orientation, and Status as a Parent in Federally Conducted Education and Training Programs

Executive Order 13145

- To Prohibit Discrimination in Federal Employment Based on Genetic Information

Executive Order 13166

- Improving Access to Services for Persons With Limited English Proficiency.

Regulations and Policies:

- EEOC's Management Directive 110 Complaint Processing
- EEOC's Management Directive 715 Affirmative Action Programs
- Harassing Conduct Policy Statement 2013
- DOL's Policy on EEO 2013

Complaints, Grievances and Incident Reports 19


SMART FINANCIAL GRANTS MANAGEMENT 2015

Types of Prohibited Discrimination

WIA Sec. 188, WIOA Sec. 188

It is unlawful to discriminate on the grounds of:

- ✗ Race
- ✗ Color
- ✗ Religion
- ✗ Sex
- ✗ National Origin
- ✗ Age (except when criterion for program eligibility)
- ✗ Disability
- ✗ Political Affiliation or Belief
- ✗ Citizenship
- ✗ Other bases (not an exhaustive list)



Complaints, Grievances and Incident Reports 20

SMART FINANCIAL GRANTS MANAGEMENT 2015

29 CFR Part 37

DOL Civil Rights Center (CRC)

- Implements non-discrimination and equal opportunity provisions in WIA
- Regulation is in the process of being updated for WIOA and will be issued through the NPRM process

29 CFR 37

- Provisions apply to:
 - Any recipient of WIA financial assistance
 - Programs and activities that are part of the one-stop system and operated by one-stop partners
 - Employment practices of a recipient or one-stop partner

Complaints, Grievances and Incident Reports 21

SMART FINANCIAL GRANTS MANAGEMENT 2015

State Methods of Administration (MOA)

MOA (29 CFR 37)

- MOA contains policies, procedures, and systems to provide reasonable guarantee of compliance with the nondiscrimination and equal opportunity requirements of WIA and implementing regulations
- Local workforce areas must adhere to state MOA
- MOA includes procedures for obtaining prompt corrective action and imposing sanctions where necessary, including retroactive and prospective relief

Complaints, Grievances and Incident Reports 22

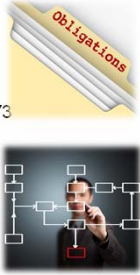
SMART FINANCIAL GRANTS MANAGEMENT 2015

Non-Federal Entity Responsibilities (1 of 2)

Comply with

- WIA/WIOA Section 188
- 29 CFR 37
- Section 504 of Rehabilitation Act of 1973
- MOA

Establish procedure for processing complaints



Complaints, Grievances and Incident Reports 23

SMART FINANCIAL GRANTS MANAGEMENT 2015


Non-Federal Entity Responsibilities (2 of 2)

Monitor subrecipient/ service provider compliance

Appoint Equal Opportunity Officer

except for

- Service providers
 - Compliance rests with state or LWIA
- Small grant recipients
 - Fewer than 15 participants and 15 employees
 - But still must designate person to process complaints



Complaints, Grievances and Incident Reports 24

SMART FINANCIAL GRANTS MANAGEMENT 2015

Discrimination Complaint Procedures (1 of 2)

29 CFR 37.76

Recipient Complaint Procedures

- Written notice to complainant acknowledging receipt of complaint and right to representation
- Written statement summarizing issues raised
 - Issue(s) accepted? If rejected, reasons for rejection
 - Period for fact finding, investigation, resolution
 - Include offer of Alternative Dispute Resolution
- Issue Notice of Final Action within 90 days from date of filing
- If lacking jurisdiction, refer to appropriate agency

Complaints, Grievances and Incident Reports 25

SMART FINANCIAL GRANTS MANAGEMENT 2015

Discrimination Complaint Procedures (2 of 2)

29 CFR 37.76

Recipient Complaint Procedures

- Written statement summarizing issues raised
 - Issue(s) accepted? If rejected, reasons for rejection
 - Period for fact finding, investigation, resolution
 - Include offer of Alternative Dispute Resolution
- Written notice to complainant acknowledging receipt of complaint and right to representation
- Issue Notice of Final Action within 90 days from date of filing
- If lacking jurisdiction, refer to appropriate agency

Complaints, Grievances and Incident Reports 26

SMART FINANCIAL GRANTS MANAGEMENT 2015

Complainant Responsibilities

Complainant responsibilities

- May file at state/local level or directly with CRC (29 CFR 27.73)
- File within 180 days of incident (only CRC may extend)
- If no action within 90 days or if not satisfied with decision, may file a new complaint (not an appeal) with CRC within 30 days
- Employment discrimination and civil rights cases are referred to EEOC
- Age discrimination complaints are referred to Federal Mediation and Conciliation Service
 - If not mediated within 60 days, goes to CRC

Complaints, Grievances and Incident Reports 27

SMART FINANCIAL GRANTS MANAGEMENT 2015

Resolution of Complaint

If reasonable cause is determined by recipient

- Issue Initial Determination of specific findings
- List proposed remedial actions and timeline for completion
- Specify if a written agreement is necessary
- Provide the opportunity for negotiations

Notice of Final Action

- Decision on the issue(s) and the reasons for decision
- Description of the way the parties resolved the issue
- Notice that the complainant may file with CRC if dissatisfied with the decision

Complaints, Grievances and Incident Reports 28

SMART FINANCIAL GRANTS MANAGEMENT 2015

Status Check

Are the statements true or false?

- ? A discrimination complaint may be filed at the state/local level or with the DOL Civil Rights Center.
- ? The process and time frame for handling a discrimination complaint are the same as for non-discrimination complaints or grievances.
- ? The DOL regulations governing discrimination complaints are found at 29 CFR 37.
- ? Alternative dispute resolution must be offered as an option for resolving discrimination complaints.
- ? Notice of Final Action on a complaint of discrimination must be issued within 90 days.

Complaints, Grievances and Incident Reports 29

SMART FINANCIAL GRANTS MANAGEMENT 2015

Status Check

Are the statements true or false?

- ? A discrimination complaint may be filed at the state/local level or with the DOL Civil Rights Center.
- ? The process and time frame for handling a discrimination complaint are the same as for non-discrimination complaints or grievances.
- ? The DOL regulations governing discrimination complaints are found at 29 CFR 37.
- ? Alternative dispute resolution must be offered as an option for resolving discrimination complaints.
- ? Notice of Final Action on a complaint of discrimination must be issued within 90 days.

Complaints, Grievances and Incident Reports 30

SMART FINANCIAL GRANTS MANAGEMENT 2015

Allegations Of Fraud, Misconduct and Abuse

Learning objectives for this section

- Describe the requirements for identifying and reporting incidents of fraud, waste, and abuse
- Describe the processes that recipients must establish to handle and resolve all these issues

SMART FINANCIAL GRANTS MANAGEMENT 2015

Disclosure Requirement

2 CFR 200.113

Mandatory disclosures

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.	Failure to make required disclosures can result in any of the remedies described in § 200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180 and 31 U.S.C. 3321).
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Complaints, Grievances and Incident Reports 32

SMART FINANCIAL GRANTS MANAGEMENT 2015

Incidents

Incidents are events involving

- Fraud, misfeasance, nonfeasance, or malfeasance
- Misapplication of funds
- Gross mismanagement
- Employee or participant misconduct
- Waste and program abuse



SOURCE: Training and Employment Guidance Letter (TEGL) 2-12

Complaints, Grievances and Incident Reports 33

SMART FINANCIAL GRANTS MANAGEMENT 2015

Incidents

Incidents are events involving

- Fraud, misfeasance, nonfeasance, or malfeasance
- Misapplication of funds
- Gross mismanagement
- Employee or participant misconduct
- Waste and program abuse



SOURCE: Training and Employment Guidance Letter (TEGL) 2-12]

Complaints, Grievances and Incident Reports34

SMART FINANCIAL GRANTS MANAGEMENT 2015

What Recipients Must Report

Recipients are required to immediately document and report allegations, suspicions, and complaints of:

- Fraud, misfeasance, nonfeasance, or malfeasance
- Misapplication of funds
- Gross mismanagement and misconduct
- Criminal activity
- Waste and program abuse

If imminent health or safety concerns or imminent loss of funds exceeding \$50,000:

- Report to the OIG and ETA immediately by telephone followed by a written Incident Report (IR) no later than one working day

Mandatory reporting of fraud and other criminal acts (200.113)

Complaints, Grievances and Incident Reports35

SMART FINANCIAL GRANTS MANAGEMENT 2015

DL 1-156 Incident Reporting Form

U.S. Department of Labor
Office of Inspector General

[Reset Form Fields](#)

For Official Use Only (Other Section): 1. Date of report 2. Agency identification code (NY - (Agency/Project No.)) 3. File Number (For OIG use)

4. Type of report: Initial Supplemental Final Other (Specify): _____

5. Type of incident: Contract violation General violation Program violation

6. Allegation against: OIG Employee Contractor Grantee Other (Specify): _____

(Show name and position of employee(s), contractor(s), grantee, etc. List telephone number, OIGCP or other OIG file number, if applicable, and other identifying data.)

7. Location of incident (Show complete name(s) and address of organization(s) involved)

8. Date and time of incident(s)

9. Source of complaint: Public Contractor Grantee Program Participant Audit

Investigative Law Enforcement Agency (Specify): _____

Other details: _____

(Use name and telephone number as additional information can be obtained)

Complaints, Grievances and Incident Reports36

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Reporting Mechanisms

DOL Hotline - Office of Inspector General

- 1-800-347-3756 or (202) 693-6999

DOL's Incident Reporting System (TEGL 2-12)

- Incident Report Form DL 1-156
- File with DOL Office of Inspector General in D.C. or to Regional Inspector General for Investigations
 - Copy simultaneously provided to ETA

Incidents may be channeled through a state or local system

- But in all cases DOL must be notified
- Cannot prevent anyone from reporting incident directly to OIG

WHEN IN DOUBT, FILE A REPORT!

Complaints, Grievances and Incident Reports 37

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The Investigative Process

Submit Incident Report to OIG with copy to ETA

OIG assigns investigative responsibility

- OIG determines whether the allegation has merit and may conduct or arrange for an investigation or audit

OIG may refer the case back to ETA for resolution

- ETA may conduct its own review of the allegation
- ETA may refer the case for state review
- Reviewing agency prepares report on findings and conclusions
- Report submitted to OIG with ETA recommendations

Follow-up or corrective actions completed


When OIG accepts final resolution, the incident is closed

Complaints, Grievances and Incident Reports 38

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Common Types of Incidents

- False claims
- Time & attendance
- Improper travel payments
- Procurement (including bid rigging, sole sourcing)
- Contract compliance violations
- Double billing
- Duplicate charging
- Simple theft
- Waste
- Abuse of program funds
- Employee misconduct



Complaints, Grievances and Incident Reports 39

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Sources of Detection

TIPS

- Tips
- Internal audit
- By accident
- Internal controls
- External audit
- Notified by police

Complaints, Grievances and Incident Reports 40

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Fraud Triangle

Some incidents can be prevented

- Robust system of internal controls
- Trained and competent staff
- Consistent application of policies

Complaints, Grievances and Incident Reports 41

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Take Actions to Avoid Fraud (1 of 2)

Robust system of internal controls

- Policies, procedures, administrative standards
 - Written standards required for procurement staff and activities
 - Financial standards and controls
 - Procurement policies and procedures

Ensure service providers do same

Complaints, Grievances and Incident Reports 42

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Take Actions to Avoid Fraud (2 of 2)



- Monitor internal and external operations
- Train staff on ethics, incident report policies and procedures
- Report promptly any incidents or suspicions

Complaints, Grievances and Incident Reports 43

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Implement an Incident Reporting (IR) System

- Follow TEGL 2-12 instructions
- Establish procedures for incident reporting
 - Identify types of incidents to be reported
 - Train staff on TEGL and your procedures
- Report even suspicions of misconduct
 - Gather information to report, do not "investigate"
- Cases of imminent health or safety concerns and/or imminent loss >\$50,000
 - Report to the OIG and ETA immediately by telephone and written IR within one working day






DOL Hotline—Office of Inspector General
1-800-347-3756 or (202) 693-6999
Contact ETA Regional Office for assistance

Complaints, Grievances and Incident Reports 44

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Status Check

Are the statements true or false?






-  An Incident Report is filed for possible criminal activities while a complaint usually relates to a possible program violation.
-  The recipient must file an Incident Report only for known criminal activities.
-  Imminent loss of funds exceeding \$50,000 must be reported immediately to OIG by phone followed by a written incident report within one working day.
-  Incidents can be reported and channeled through a state or local system if that process is able to resolve the matter.
-  A robust internal control system will help to prevent or detect potential criminal activity.

Complaints, Grievances and Incident Reports 45

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Complaints, Grievances and Incident Reports 46

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Key Concepts (1 of 2)

-  Distinguish the different types of allegations
-  Establish systems and procedures to handle complaints and grievances for each type of allegation
-  Follow the additional requirements for handling complaints of discrimination

Complaints, Grievances and Incident Reports 47

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Key Concepts (2 of 2)

-  Identify and report incidents following guidelines in TEGL 2-12 and Uniform Guidance
-  Establish robust internal control system to prevent and detect fraud, waste, and abuse

Complaints, Grievances and Incident Reports 48

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Knowledge Check

On a scale of 1 (lowest) to 5 (highest), rate your knowledge and understanding of the following by **circling** the appropriate number in the column of the sheet, labeled Post-Training, for each of the statements.

?

- Required grievance and complaint procedures, timeframes, and appeal rights.
- Different requirements applicable to processing a program complaint and a discrimination complaint.
- Laws, executive orders, and regulations that establish the legal bases for discrimination complaints.
- Types of activities that trigger the need to file an Incident Report.
- How to prepare an Incident Report and where to file it.

Complaints, Grievances and Incident Reports 49

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Thank you for your attention and participation in this session.

Please complete your evaluations.
