Compliance Monitoring Plan

Introduction

As per Community Development Block Grant (CDBG) regulation, 24 C.F.R. § 570.501(b), grantees of Community Development Block Grant Disaster Recovery (CDBG-DR) funds are responsible for carrying out their programs to meet compliance with CDBG-DR Program, statutory and regulatory requirements, including monitoring their project administrators, contractors and subcontractors.

As such, throughout the application, planning, design, and implementation phase of the program(s), the Florida Department of Economic Opportunity’s (DEO) Office of Disaster Recovery (ODR) will conduct monitoring of processes, procedures, policy, applications, planning, design, construction and other applicable phases. ODR will work to ensure that program funds are operating efficiently and effectively and that CDBG-DR funds are being used appropriately. The implementation of effective monitoring of the program’s compliance against the program guidelines, requirements and procedures identify areas of strong performance and areas that need improvement and/or a corrective action.

ODR has established this Monitoring Plan to:

- Gauge the overall progress and effectiveness of program implementation.
- Identify and resolve compliance issues that may compromise program integrity, funding, and service delivery.
- Identify areas that would benefit from technical assistance and/or training.

Statutory Requirements and Guiding Documents

All monitoring conducted shall be guided and governed by all applicable federal and state statutes including but not limited to:

- 2 CFR Part 200
- 24 CFR Part 570
- November 16, 2011 Federal Register Notice, Volume 76, Number 221
- Title I of the Housing and Community Development Act of 1974
- All current Action Plans as amended and grant agreements as amended with HUD
- 73C-23.0051, FAC – Grant Administration and Project Implementation
- 73C-23.0081, FAC – Nonrecurring CDBG Funding
- February 9, 2018 Federal Register Notice, Volume 83, Number 28
- August 14, 2018 Federal Register Notice, Volume 83, Number 157
- November 21, 2016 Federal Register Notice, Volume 81, Number 224
- January 18, 2017 Federal Register Notice, Volume 82, Number 11
- August 7, 2017 Federal Register Notice, Volume 82, Number 150
Programs Monitored

ODR is currently monitoring the following CDBG-DR funded programs (including subrecipients):

- **Hurricane Irma**
  - Housing Repair and Replacement Program
  - Workforce Affordable Rental New Construction Programs (FHFC)
  - Voluntary Buyout Program (FHFC)
  - Workforce Training Program
  - Business Recovery Grants Program
  - Business Assistance to New Floridians from Puerto Rico Program
  - Infrastructure Repair and Mitigation Program

- **Hurricane Hermine and Hurricane Matthew Subrecipients**
  - St. Johns County
  - Citrus County
  - Brevard County
  - Hernando County
  - City of Jacksonville
  - City of Palatka
  - Pasco County
  - Putnam County
  - Volusia County

- **Mitigation Program**
  - On August 23, 2019, HUD published required guidance necessary for DEO to develop the federally required State Mitigation Action Plan. DEO is now in the process of working with local, state and federal partners to develop the State Mitigation Action Plan.

Roles and Responsibilities

**Bureau Chief, Finance and Administration:**

- provides oversight of all compliance and monitoring activities
- signs all relevant letters (e.g. onsite visit strategy letter and monitoring report letter)
- issues final decisions regarding findings and concerns.

**Compliance and Reporting Manager:**

- directs the day-to-day activities related to CDBG-DR compliance and monitoring
  - completes and maintains risk assessment and monitoring schedule
  - edits and tracks letters to all entities
  - ensures the compliance and monitoring staff are prepared for and are effectively carrying out all tasks.

**Compliance Officers:**
• complete monitoring reviews and technical assistance
• draft all relevant letters
• compile and complete monitoring checklists
• update documents on ODR website

Innovative Emergency Management (IEM) assists ODR with the monitoring of subrecipients.

Personal Identifiable Information

ODR shall safeguard the confidentiality of all Personal Identifiable Information (PII) reviewed during any monitoring event. For the purposes of this Monitoring Plan, PII includes without limitation, names, credit card numbers, social security numbers, biometric data, bank account numbers, passport numbers, computer passwords, or any other health, financial, or employment information.

ODR shall not appropriate for its own use or disclose any PII except to those persons directly concerned with the PII and only to the extent necessary to comply with Federal regulations.

ODR may not store PII on computers, mobile devices, cellular telephones, and/or personal digital assistants, servers, and/or storage devices, including removable media, unless required for the performance of monitoring under this Monitoring Plan.

Types of Monitoring

ODR will perform an initial risk assessment to evaluate each program to determine what level of monitoring will be conducted to ensure that all projects are compliant. A range of monitoring methods will be used including (but not limited to):

• Desk Reviews – limited reviews of programs, subrecipients, and contractors/vendors.
• Onsite Reviews – in depth reviews that validate desk review results, identify and/or research discrepancies, and more closely monitor high-risk program components.

Standardized monitoring checklists will be used to ensure consistency and to provide a detailed record. The monitoring checklists are tailored from the HUD monitoring checks in Chapter 5 of “A Guidebook for Grantees on Subrecipient Oversight”.

Risk Assessment

ODR will conduct a risk analysis on all entities being monitored, including all programs, contractors, and sub-recipients in order to identify those entities and programs that are most susceptible to fraud, abuse, or mismanagement. The risk analysis provides critical information to effectively target resources toward entities and programs that pose the greatest risk to the integrity of ODR’s CDBG-DR funding, including identification of the programs to be monitored on-site and remotely, the program areas
to be covered, and the depth of the review. This assessment will allow the state to minimize potential risk as it administers its CDBG-DR allocation. ODR may adjust the sample outlined below to reflect new criteria or risk factors as identified.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
<th>High Risk</th>
<th>Medium Risk</th>
<th>Low Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding</strong></td>
<td>Total Funds allocated to the program (including FEMA and other federal and State funds)</td>
<td>10</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Over $100,000,000</td>
<td>$50,000,000 - $100,000,000</td>
<td>$50,000,000 and below</td>
<td></td>
</tr>
<tr>
<td><strong>Complexity</strong></td>
<td>The multiple types of resources and activities associated with the program.</td>
<td>10</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Construction</td>
<td>Demolition only; Loan or Grant Program</td>
<td>Single source funded programs. Buyouts without Construction</td>
<td></td>
</tr>
<tr>
<td><strong>Implementation Method</strong></td>
<td>The use of subrecipients, vendors, or internal staff to carry out the program</td>
<td>10</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Sub-recipient</td>
<td>Vendor Implementation</td>
<td>Grantee Staff</td>
<td></td>
</tr>
<tr>
<td><strong>Relevant Experience</strong></td>
<td>The experience of grantee/subrecipient/contractor administering CDBG funds.</td>
<td>10</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>No experience</td>
<td>1-3 years of experience</td>
<td>4+ years of experience</td>
<td></td>
</tr>
<tr>
<td><strong>Compliance History</strong></td>
<td>The grantee's past compliance with federally funded programs.</td>
<td>10</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Past monitoring revealed severe deficiencies; or no evidence of any prior monitoring</td>
<td>Evidence of prior monitoring; deficiencies noted, but none severe</td>
<td>Evidence of prior monitoring; no deficiencies noted</td>
<td></td>
</tr>
<tr>
<td><strong>Project Timeline</strong></td>
<td>The projected and defined timeline for project completion, per the agreement.</td>
<td>10</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Over 24 months</td>
<td>12 -24 months</td>
<td>Completion in under 12 months</td>
<td></td>
</tr>
</tbody>
</table>

**High Risk:** 41 - 60 Points  
**Medium Risk:** 18 - 40 Points  
**Low Risk:** Less than 18 Points
Monitoring Frequency

ODR will conduct a minimum of one on-site monitoring review for each active CDBG-DR program. Desk reviews will also be performed a minimum of once a year for each open grant. These monitoring reviews will be in addition to the Department’s QA/QC reviews which will be more process/activity focused.

Monitoring frequency may be increased if a matter is uncovered by an external audit or necessitated by the possibility of fraud, waste, or mismanagement.

Monitoring Process

ODR’s monitoring process is described in the following steps:

1. Conduct an entrance conference with the appropriate representatives to explain the purpose of review;
2. Execute the appropriate checklist. Checklist responses will include comments that detail any issues identified. Tasks will include reviewing applicable files and interviewing members of staff, engineers, and/or consultants, as appropriate to discuss project related issues.
3. Conduct an exit conference with the appropriate representatives to present the preliminary conclusions identified during the review; and
4. Issue a formal written report summarizing the conclusions of the review.

ODR retains the right to modify the monitoring procedures and monitoring tools as deemed necessary.

Monitoring reviews may result in:

- Findings – issues that require immediate corrective actions by the program.
- Concerns – issues regarding the performance of programs or activities that may result in noncompliance if they are not addressed.
- Observations – issues which could lead to a concern or finding if not addressed, but there is not enough evidence at the time of the monitoring that would warrant a concern or finding.

If issues are identified for corrective action, follow-up actions will be scheduled to address the progress of the resolution. The timing and frequency of the follow-up communication will be determined at ODR’s discretion. All follow-up actions will be documented.

Technical Assistance

ODR Compliance and Reporting Unit will continuously identify areas of opportunity and provide technical assistance where needed. The objective of technical assistance is to ensure compliance with Federal and State regulations and program requirements. The nature and extent of technical assistance will be determined at the discretion of ODR’s Compliance Team. Some examples of technical assistance will include:

- Verbal or written advice;
- Formal training; and/or,
• Documentation and guidance.

Record Retention

All materials created and utilized for monitoring purposes shall be public record, except for PII and/or other materials, information or records that are specifically exempt from disclosure under applicable federal or state law.

Before mailing, all signed monitoring letters with attachments must be scanned and saved to the shared drive.

Within one week of on-site monitoring, digital copies of all monitoring documentation (forms, checklists, and materials copied on-site) shall be saved on the shared drive. Files may be Word documents or PDFs.

Communication to Staff

The Monitoring Plan and each subsequent update will be forwarded to the appropriate ODR staff and will also be made available on ODR’s website at www.floridajobs.org/CDBG-DR.

Certification

This Monitoring Plan formalizes the process by which the ODR conducts its compliance monitoring for all projects funded under the CDBG-Disaster Recovery Program.

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Signature on File

Jamie McNease
Compliance and Reporting Manager
Florida Department of Economic Opportunity – Office of Disaster Recovery