

Grants Activities Reports

Tab 3

Background:

- **Independent Audit Status Report** – Grants Management Staff will review the Independent Audit Status report that summarizes the status of desk reviews of annual independent audits submitted by grantees.
- **Grants Monitoring Exceptions Report** – The Grants Monitoring Exceptions Report enclosed summarizes concerns noted by TCDD Grants Management staff in their ongoing monitoring activities, and the status of resolving those concerns.
- **Grants Risk Assessment Report** – The Grants Risks Assessment Report enclosed summarizes the risk assessment matrix for continuation grant awards and new grant awards.

Executive Committee

Agenda Item 6.

Expected Action:

The Executive Committee will review the information provided and may provide guidance to staff.

Council

Agenda Item 12. A.

Expected Action:

The Council will receive a report on the Executive Committee discussion.

TEXAS COUNCIL FOR DEVELOPMENTAL DISABILITIES

INDEPENDENT AUDIT STATUS REPORT

GRANTEE	FYE	DATE RECEIVED	AUDIT FIRM	EXCEPTIONS NOTED	RECOMMENDATIONS/ RESOLUTIONS
Any Baby Can of San Antonio, Inc	6/30/2012	4/4/2013	BDO USA, LLP	None.	None/Done.
Brighton School, Inc.	8/31/2012	1/14/2013	Cundiff, Rogers & Solt	None.	The last two audits have an unqualified opinion. Per TCDD procedures the current audit was reviewed by TCDD staff. No concerns are noted, thus this audit was not sent to Don Mikeska, CPA, for desk review.
Community Healthcore	8/31/2012	1/29/2013	Henry & Peters, P. C.	None.	The last two audits have an unqualified opinion. Per TCDD procedures the current audit was reviewed by TCDD staff. No concerns are noted, thus this audit was not sent to Don Mikeska, CPA, for desk review.
Family to Family Network Inc	6/30/2012	4/3/2013	Tribolet Fuller & Company, PLLC	None.	None/Done.
Paso del Norte Children's Development Center	8/31/2012	4/29/2013	Gibson, Ruddock, Patterson, LLC.	None.	None/Done.
Region 17 ESC	8/31/2012	12/27/2012	Bolinger, Segars, Gilbert & Moss, LLP	None.	The last two audits have an unqualified opinion. Per TCDD procedures the current audit was reviewed by TCDD staff. No concerns are noted, thus this audit was not sent to Don Mikeska, CPA, for desk review.

Key: Audits were submitted to TCDD during the fiscal year (Oct. 1, 2012 – Sept. 30, 2013). Independent Audit Reports are due not later than nine months after the end of the grantee's fiscal year(s) for which an audit is performed. This document includes audits that were received after the due date, but during the fiscal year.

GRANTEE	FYE	DATE RECEIVED	AUDIT FIRM	EXCEPTIONS NOTED	RECOMMENDATIONS/ RESOLUTIONS
Region 19 ESC	8/31/2011	10/3/2012	Gibson, Ruddock Patterson, LLC	None.	The last two audits have an unqualified opinion. Per TCDD procedures the current audit was reviewed by TCDD staff. No concerns are noted, thus this audit was not sent to Don Mikeska, CPA, for desk review.
SER Jobs for Progress	8/31/2012	4/18/2013	Doeren Mayhew	None.	None/Done.
Texas Tech University	8/31/2012	12/5/2012	State of TX	None.	Forward for Desk Review.

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GRANTS MONITORING EXCEPTIONS REPORT

GRANTEE PROJECT TITLE	TYPE OF ONSITE	DATE OF ONSITE	CONCERNS NOTED	CORRECTIVE ACTIONS	STATUS
SER Jobs for Progress <i>(Expansion Leadership Development & Advocacy Training Project)</i>	Follow-up	11/20/12	Fiscal controls; Travel; Lease agreements; Utility; Organizational Chart; PARs; Copy; Equipment; Insurance and Match	Documents requested: 11/20/12 Documents received: 4/4/13	Complete
Volar ILC <i>(Building Community Capacity through Collaboration)</i>	Initial	3/8/13	ADA standards; GRI questionnaire; Organization chart; Insurance; Travel; Utilities; Lease; Financial reporting; Purchasing goods/services; Service agreements/contracts and Utilities	Documents requested: 4/9/13 Documents received: 5/15/13	Complete
Circle of Ten <i>(Building Community Capacity through Collaboration)</i>	Initial	3/8/13	PARs signatures; Lease agreement; and Match	Documents requested: 3/21/13 Documents received: 4/30/13	Complete
East Texas Center for Independent Living <i>(Building Community Capacity through Collaboration)</i>	Initial	3/21/13	GRI questionnaire, Procedures for purchasing/procurement of goods; PARs signatures; Organizational chart; Financial reporting; Approved flyer for dissemination; and Match	Documents requested: 4/9/13 Documents received: 5/7/13	Complete
Sabine Valley Regional MHMR dba Community Healthcare <i>(Building Community Capacity through Collaboration)</i>	Initial	4/17/13	ADA standards; GRI questionnaire; PARs; Financial reporting; Insurance premiums; Service and Lease agreements; Internet/Telephone.	Documents requested: 4/17/13 Documents received 5/31/13	Complete
Epilepsy Foundation <i>(Health & Fitness)</i>	Follow-up	5/23/13	*Independent audit for FY 12; Service agreements; April 2012 Photocopy Log.	Documents requested: 6/21/13 Documents due: 7/21/13	Pending
Any Baby Can <i>(Health & Fitness)</i>	Follow-up	6/5/13	None	Documents requested: 6/5/13 Documents received: 6/5/13	Complete
Texas Statewide ILC <i>(Health & Fitness)</i>	Follow-up	6/10/13 6/11/13	PAC; *Independent audit for FY 12; Ledger; Service and Lease agreements	Documents requested: 7/17/13 Documents due: 8/16/13	Pending

Date of Report: 7/18/13

*Independent audits are due at the end of the FY 12; no later than FY 12

**RISK ASSESSMENT FOR CONSIDERATION OF CONTINUATION AWARDS
06/01/13 – 05/31/14**

Item	Grantee	TCDD Funds	Other Fed Funds	Risk Activity	Risk Code
A	Helpful Interventions <i>(Gulf Coast of Texas African American Family Support Conference)</i>	\$75,000	\$0	2	Green
B	Texas Tech University <i>(Project SEARCH)</i>	\$174,666	\$35mil	2	Yellow

KEY

Red	Extensive Risk Management (all levels of control plus audit)
Yellow	Considerable Risk Management (most levels of control plus independent review by CPA)
Green	Moderate Risk (operating & monitoring controls & agreed upon procedures engagement by CPA)
Grey	Monitor or Accept (basic monitoring only)

**TCDD RISK MATRIX
FY 2013**

<i>Risk Activities</i> ↓	<i>Award Amounts</i> →	- \$75,999.	\$76,000. – \$199,999.	\$200,000.- \$499,999.	\$500,000. +
1. New Grantee (i.e., no previous project or no project within 2 year period)		LH	MH	HH	HH
2. Awards within Award (e.g., consultants, presenters, sub-contractors, etc.)		LH	MH	HH	HH
3. Funding Issues (e.g., budget/procurement concerns, match, sustainability, etc.)		LM	LM	MM	HM
4. Compliance Issues (e.g., OMB, UGMS, TCDD policy, oversight issues, etc.)		LM	LM	MM	HM
5. Performance Issues (e.g., unmet goals, milestones, special conditions, etc.)		LM	LM	MM	HM
6. Legal Actions		LL	LL	ML	HL
7. Fiscal Office Located Out-Of-State		LL	LL	ML	HL
8. No Audit Prior To Grant Award		LL	LL	ML	HL

KEY: 1st letter denotes impact; 2nd letter denotes probability.

	HM, HH	Extensive Risk (all levels of control plus audit)
	MM, MH, HL	Considerable Risk (most levels of control plus independent review by CPA)
	LH, ML	Moderate Risk (operating/monitoring controls + agreed upon procedures by CPA)
	LL, LM	Acceptable Risk (basic monitoring only)

Use for Risk Management Plan:

	Audit work performed and the Executive Director performs oversight via quarterly report* provided to ensure supervisory and operating controls are working.
	Department heads reporting to Executive Director perform oversight functions to ensure supervisory and operating controls are working.
	Department staff perform oversight functions to ensure supervisory and operating controls are working.
	Department staff perform basic oversight functions to ensure controls are in place.

Use for Annual Audit Plan:

	Red indicates areas to be audited by contracted internal audit services provider.
	Yellow indicates areas to be covered through oversight, supervisory and operating controls with guidance from the contracted internal audit services provider.
	Green indicates areas to be covered through staff oversight with guidance from the contracted internal audit services provider as needed.
	Gray indicates areas to be covered through basic staff oversight and reporting.

***Grants Monitoring Exceptions Report provided to E.D. and Council quarterly for review.**

No risk activities means monitoring strategies will be performed at the lowest level under the award amount.

NOTE: Risk Matrix reviewed annually with TCDD staff and Internal Auditor; updated when needed.

**MONITORING STRATEGIES
FY 2013**

STIPENDS (\$6,000. Or less):

Website instructions	Special Conditions (GMD letter)
Technical support (Budget Support Specialist)	Review FROE & other reports submitted

GRANT PROJECTS:

Level 1 GRAY

Orientation	Approvals (e.g., equipment, travel, speakers, etc.)
Onsite Review = Initial	Project Advisory Committee Meetings
Program Performance Review = Annual	Final Program Performance Report
RAR Documentation Review	Other as determined necessary (e.g., audit desk review)

Level 2 GREEN

Orientation	Project Advisory Committee Meetings
Onsite Review = Initial & 3 rd year	Final Program Performance Report
Program Performance Review = Quarterly	Agreed upon Procedures Engagements CPA
RAR Documentation Review	Other as determined necessary (e.g., audit desk review)
Approvals (e.g., equipment, travel, speakers, etc.)	

Level 3 YELLOW

Orientation	Project Advisory Committee Meetings
Onsite Review = Initial & 3 rd & 5 th years	Final Program Performance Report
Program Performance Review = Quarterly	Independent Review by CPA = Annual (A-133 Audit at \$500k or more)
RAR Documentation Review	Project Staff Meeting (1X per annum)
Approvals (e.g., equipment, travel, speakers, etc.)	Other as determined necessary (e.g., audit desk review)

Level 4 RED

Orientation	Final Program Performance Report
Onsite Review = Initial & Annual	A-133 Audit = Annual (Independent under \$500k)
Program Performance Review = Quarterly	Audit Desk Review = Annual
RAR Documentation Review	Project Staff Meeting (2X per annum)
Approvals (e.g., equipment, travel, speakers, etc.)	Interim Program Performance Report
Project Advisory Committee Meetings	

ADDITIONAL MONITORING STRATEGIES FOR GRANT PROJECTS

To be selected and implemented on an as needed basis.

- Re-orient
- Add milestones or special conditions
- Move up to the next level of monitoring (see above tables)
- Payment holds (reimbursement only no advance or no reimbursement & no advance)
- Require additional onsite reviews