

Background:

Grants Management Staff will review these reports:

- **Independent Audit Status Report** – summarizes the status of desk reviews of annual independent audits submitted by grantees.
- **Grants Monitoring Exceptions Report** – summarizes concerns noted by TCDD Grants Management staff in their ongoing monitoring activities, and the status of resolving those concerns.
- **Grants Risk Assessment of TCDD Projects & Quarterly Update Report** – summarizes the risk assessment matrix for considerations of continuation grant awards, new grant awards and provides more detail about monitoring activities for all TCDD funded projects. This format now includes any concerns identified by grants staff from ongoing monitoring of projects.

<p><u>Executive Committee</u></p> <p><u>Agenda Item 6.</u></p>	<p><u>Expected Action:</u></p> <p>The Executive Committee will review the information provided and may provide guidance to staff.</p>
<p><u>Council</u></p> <p><u>Agenda Item 12. A.</u></p>	<p><u>Expected Action:</u></p> <p>The Council will receive a report on the Executive Committee discussion.</p>

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	6/30/2015	12/10/2015	BDO USA, LLP	None.	None/Done.
Region 17 ESC	8/31/2015	1/4/2016	Bolinger, Segars, Gilbert & Moss, LLP	None.	Forward for Desk Review.
Texas State Independent Living Council	8/31/2014	10/26/2015	Montemayor Hill Britton & Bender PC	None.	Forward for Desk Review.
Texas Tech University	8/31/2014	10/31/2015	State of TX	None.	None/Done.
Texas Tech University	8/31/2013	10/31/2015	State of TX	None.	None/Done.

Key: Audits were submitted to TCDD during the fiscal year (Oct. 1, 2015 – Sept. 30, 2016). 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.

GRANTS MONITORING EXCEPTIONS REPORT

GRANTEE PROJECT TITLE	TYPE OF ONSITE	DATE OF ONSITE	ACTIONS REQUIRED FROM ONSITE REVIEW	CORRECTIVE ACTIONS	STATUS
Texas A&M University <i>(Higher Education)</i>	Follow-up	10/23/15	Supervisor and employee signatures required on PAR's; documentation of accrual basis accounting; clarification on use of TCDD funds for meeting with Disability Rights Texas and TCDD new council member orientation	Document requested: 9/22/15 Documents due: 10/23/15 Additional follow-up information requested: 10/29/15, 12/2/15 Documents received: 11/25/15, 12/2/15	Complete
VSA Arts of Texas <i>(Promoting Self-Advocates as Speakers)</i>	Follow-up	10/26/15	Supervisor signature required on project director PAR's; revised copy of travel reimbursement form fully complete and signed by all appropriate staff; appropriate signatures required on contracts for Nicole Cortichiato and Jennifer Krou; match documentation requires signatures and forms to be fully completed with all appropriate signatures	Documentation requested: 9/10/15 Documents due: 10/26/15 Additional follow-up information requested: 10/29/15, 12/1/15 Documents received: 11/25/15, 12/2/15, 12/4/15	Complete
A Circle of 10, Inc. <i>(Building Community Capacity through Collaboration)</i>	Follow-up	11/2/15	Additional information for PAR's submitted; current audit required; additional information for travel expenses; additional information for service agreements; additional information for materials and supplies; additional information for multiple sources of match	Documentation requested: 10/6/15 Documents due: 10/23/15 Additional follow-up information requested: 11/2/15 Documents received: 12/4/15, 12/7/15 Additional follow-up information requested: 1/7/16	Pending
Texas Tech University <i>(Higher Education)</i>	Follow-up	11/2/15	PAR's for one staff person; documentation for printing costs	Documentation requested: 9/28/15 Documents due: 11/12/15 Additional follow-up information requested: 12/9/15 Documents received: 12/9/15	Complete
Region 17 Education Service Center (ESC 17) <i>(Families in Schools)</i>	Follow-up	11/13/15	PAR's for three staff; current audit; computer lease documentation	Documentation requested: 9/28/15 Documents due: 11/12/15 Additional follow-up information requested: 12/9/15 Documents received: 12/11/15	Pending
Strategic Education Solutions, LLC <i>(Enabling Technology)</i>	Follow-up	11/30/15	Revised contract for Social Motion, Inc. required that provides end dates for the contract; additional information on match documentation submitted	Documentation requested: 11/30/15 Documentation due: 12/30/15 Additional follow-up information requested: 12/18/15	Pending

Date Revised: 6/24/15

1 - Audit due within 9-months after the end of the budget period.

**RISK ASSESSMENT FOR CONSIDERATION OF CONTINUATION AWARDS
06/01/15– 05/31/16**

Item	Grantee	TCDD Funds	Other Fed Funds	Risk Activity	Risk Code
A	Any Baby Can of San Antonio <i>(Health and Fitness)</i>	\$131,165	\$0	2	
B	Texas Statewide Independent Living Council <i>(Health and Fitness)</i>	\$230,000	\$395,079	2	
C	Department of Assistive and Rehabilitative Services <i>(Higher Education)</i>	\$226,000	\$499 mil	2	

RISK ASSESSMENT FOR NEW AWARDS

Item	Grantee	TCDD Funds	Other Fed Funds	Risk Activity	Risk Code
A	Disability Rights Texas	\$40,000	\$8mil	2	
B	National Disability Institute	\$150,000	\$2,481,931mil	TBD	TBD

KEY

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

RISK ASSESSMENT OF TCDD PROJECTS – QUARTERLY UPDATE

Grantee		TCDD Fund Amt.	Other Federal Fund Amt.	Date of Last Onsite	Next Onsite Due By	Risk Activity	Risk Code
Extensive Risk							
1.	Region 17 ESC (FIS)	\$300,000	\$1,687,806	10/2/2014	2015	2	
2.	Epilepsy Foundation of Texas (Health & Fitness)	\$250,000	\$390,600	10/28/2014	2015	2	
3.	Texas State Independent Living Council (Health & Fitness)	\$238,000	\$395,083	1/7/2015	2016	2	
4.	DARS (Higher Education)	\$225,000	\$488 mil	7/18/2014	2015	2	
5.	Educational Programs Inspiring Communities, Inc. (Enabling Technology)	\$225,000	\$200,000	8/27/2014	2015	2	
6.	Texas A&M University (Higher Education)	\$225,000	\$244 mil	7/10/2014	2015	2,3	
7.	Texas Tech University (Higher Education)	\$225,000	\$35mil	10/1/2014	2015	2,3	
8.	Strategic Education Solutions, LLC (Enabling Technology)	\$224,925	\$ 0	12/19/14	2015	2	
Considerable Risk							
9.	Any Baby Can (Health & Fitness)	\$174,887	\$ 0	12/10/14	2016	2	
10.	Texas Tech University (Project SEARCH)	\$174,716	\$35 mil	10/1/2014	2016	2,3	
11.	Volar Center for Independent Living (BC3)	\$150,000	\$203,823	4/29/2015	2017	1,2	
12.	Sabine Valley Regional MHMR Center (dba Community Healthcore) (BC3)	\$139,440	\$4,663,336	2/11/2015	2017	2, 3, 5	
13.	Imagine Enterprises (Project SPEAK)	\$125,000	\$725,000	7/9/2013	2015	2	
14.	VSA Arts of Texas- (Self-Advocates as Speakers)	\$125,000	\$10,000	8/14/2013	2015	2	
15.	Texas Advocates (Self-Advocates Grassroots Community Organizing)	\$100,000	\$0	7/13/2015	2017	2, 5	
Moderate Risk							
16.	Light and Salt Association (Culturally Appropriate Family Support)	\$75,000	\$448,606	1/26/16	NA	2	
17.	Coalition of Texans with Disabilities (Developmental Disabilities Policy Fellows)	\$67,500	\$0	1/27/15	NA	2	
18.	The Arc of Texas (Developmental Disabilities Policy Fellows)	\$67,500	\$0	3/6/15	NA	2	
19.	Reaching Families Advocacy and Support Group (Culturally Appropriate Family Support)	\$79,606	\$0	TBD		2	
Monitor or Accept							
20.	Texas Parent to Parent (Public Policy Collaboration Activities)	\$50,800	\$97,500	7/2/2013	NA	2	

NA							
21.	Special Kids, Inc. (O&D)	\$10,000	\$0	NA	NA	NA	NA

Highlighted grantees indicate additional monitoring strategies this quarter.

*Increased risk due to the number of sub-awards and no previous audit.

KEY

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

RISK ACTIVITIES	
1 – New Grantee	2 – Awards within Award
3 – Funding Issues	4 – Compliance Issues
5 – Performance Issues	6 – Legal Actions
7 – Fiscal Office Out of State	8 – No Prior Audit

**TCDD RISK MATRIX
FY 2015**

<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 or Review Determination:

	Red indicates areas to be audited or reviewed by independent CPA.
	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 2015**

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

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

Mini-Grants (\$10,000. Or less):

Orientation	Program Performance Review = Six Months
Technical support (Senior Specialist)	Final Program Performance Report
RAR & Supplemental Report	Approvals (e.g., dissemination, etc.)
RAR Documentation Review = Six Month	

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