

Background:

Grants Management Staff will review these reports:

- **Independent Audit Status Report** — summarizes the status of desk reviews of annual independent audits submitted to 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 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.

Executive Committee — Agenda Item 6**Expected Action:**

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

Council — Agenda Item 9. B.**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	6/30/2015	12/10/2015	BDO USA, LLP	None.	None/Done.
Community Healthcore	8/31/2015	2/2/2016	Henry & Peters	From our review of Type A programs in 2015 fiscal year, we noted that VA Supportive Services for Veteran Families Program (CFDA 64.033) was a Type A program that should have been considered a high-risk program and audited as a major program in 2015 fiscal year since it was not audited as a major program in either 2013 or 2014 fiscal year.	The auditors should audit the excluded program and reissue the Report to correct the deficiency. TCDD CPA approved the re-issuance of the audit report on 3/8/16.
Imagine Enterprises Inc	12/31/2014	2/18/2016		None.	Forward for Review of Financial Statements.

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.

Monday, April 11, 2016

**TEXAS COUNCIL FOR DEVELOPMENTAL DISABILITIES
INDEPENDENT AUDIT STATUS REPORT**

GRANTEE	FYE	DATE RECEIVED	AUDIT FIRM	EXCEPTIONS NOTED	RECOMMENDATIONS/ RESOLUTIONS
Region 17 ESC	8/31/2015	1/4/2016	Bolinger, Segars, Gilbert & Moss, LLP	In the “Summary of Auditors’ Results” section of the Schedule of Findings and Questioned Costs, the auditors described the results of their audits of the financial statements and compliance for major programs as Unqualified. The results of the audits should have been described as Unmodified. A copy of the revised audit was submitted to TCDD's CPA.	Grantee auditor should revise the audit report and resubmit it. Audit corrected by grantee auditor and accepted by TCDD audit desk reviewer, Abi Bankole.
Texas State Independent Living Council	8/31/2014	10/26/2015	Montemayor Hill Britton & Bender PC	None.	None/Done.
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.

Monday, April 11, 2016

GRANTS MONITORING EXCEPTIONS REPORT — May 4–6, 2016

GRANTEE PROJECT TITLE	TYPE OF ONSITE	DATE OF ONSITE	ACTIONS REQUIRED FROM ONSITE REVIEW	CORRECTIVE ACTIONS	STATUS
Department of Assistive and Rehabilitative Services (Higher Education)	Follow-up	12/16/16	None	None	Complete
Educational Programs Inspiring Communities (Enabling Technologies)	Follow-up	12/3/15	Current, signed and executed service agreement/contract between the grantee and Network Information Systems, Inc. doing business as Blue Lance, Inc.	Documentation requested: 12/3/15 Documents due: 1/3/16 Additional follow-up information requested: 1/12/16 Documents received: 1/13/16	Complete
Imagine Enterprise (Promoting Self-Advocates as Speakers)	Follow-up	12/3/15	PAR's required for two staff and clarification required on other PAR's submitted; copy of the final Financial Statements for FY 2014 required; copies of general ledger documents for the months of November-December 2015; travel documents that are complete and clarification on travel documents submitted; a current, signed and executed for both service providers; match documentation for the months of October-December 2015 for all match reported to TCDD.	Documentation requested: 12/3/15 Documents due: 1/3/16 Additional follow-up information requested: 2/3/16 Documents received: 2/19/16 and 2/25/16	Complete
Light and Salt Association (Culturally Appropriate Family Supports)	Initial	1/26/16	Documentation for building standards meeting ADA requirements; federal regulations policies for individuals with DD; PAR's for staff; copy of organization chart; PAC minutes for 1/16/16 PAC meeting; submittal of draft flyer for review/approval prior to public dissemination; documentation for FICA and Workers Comp payments; copies of contracts/service agreements for teachers; copy of completed photocopy log; documentation for telephone usage; complete lease agreement for Taiwanese Heritage Society; completed copy of volunteer sign-in sheet; copy of e-mail used to advertise for project director position.	Documentation requested: 12/30/15 Documents due: 1/26/16 Additional follow-up information requested: 2/3/16 and 3/17/16 Documents received: 3/2/16, 3/25/16 and 3/30/16	Complete

**RISK ASSESSMENT OF TCDD PROJECTS – QUARTERLY UPDATE
MAY 4–6, 2016**

Number	Grantee	TCDD Fund Amt.	Other Federal Fund Amt.	Date of Last Onsite	Next Onsite Due By	Risk Activity	Risk Code
1.	Region 17 ESC (FIS)	\$300,000	\$1,687,806	10/2/2014	2015	2	Extensive Risk
2.	Epilepsy Foundation of Texas (Health & Fitness)	\$250,000	\$390,600	10/28/2014	2015	2	Extensive Risk
3.	Texas State Independent Living Council (Health & Fitness)	\$238,000	\$395,083	1/7/2015	2016	2	Extensive Risk
4.	DARS (Higher Education)	\$225,000	\$488 mil	7/18/2014	2015	2	Extensive Risk
5.	Educational Programs Inspiring Communities, Inc. (Enabling Technology)	\$225,000	\$200,000	8/27/2014	2015	2	Extensive Risk
6.	Texas A&M University (Higher Education)	\$225,000	\$244 mil	7/10/2014	2015	2,3	Extensive Risk
7.	Texas Tech University (Higher Education)	\$225,000	\$35mil	10/1/2014	2015	2,3	Extensive Risk
8.	Strategic Education Solutions, LLC (Enabling Technology)	\$224,925	\$0	12/19/14	2015	2	Extensive Risk
9.	National Disability Institute (Understanding Employment Options and Supports)	\$150,000	\$2,481,931 mil	NA	2016	1, 2, 7	Extensive Risk
10.	Any Baby Can (Health & Fitness)	\$174,887	\$0	12/10/14	2016	2	Considerable Risk
11.	Texas Tech University (Project SEARCH)	\$174,716	\$35 mil	10/1/2014	2016	2,3	Considerable Risk
12.	Volar Center for Independent Living (BC3)	\$150,000	\$203,823	4/29/2015	2017	1,2	Considerable Risk
13.	Sabine Valley Regional MHRM Center (dba Community Healthcare) (BC3)	\$139,440	\$4,663,336	2/11/2015	2017	2, 3, 5	Considerable Risk
14.	Imagine Enterprises (Project SPEAK)	\$125,000	\$725,000	7/9/2013	2015	2	Considerable Risk
15.	VSA Arts of Texas (Self-Advocates as Speakers)	\$125,000	\$10,000	8/14/2013	2015	2	Considerable Risk
16.	Texas Advocates (Self-Advocates Grassroots Community Organizing)	\$100,000	\$0	7/13/2015	2017	2, 5	Considerable Risk

Number	Grantee	TCDD Fund Amt.	Other Federal Fund Amt.	Date of Last Onsite	Next Onsite Due By	Risk Activity	Risk Code
17.	Texas State Independent Living Council (Accessible Transportation Summits)	\$150,000	\$520,587	NA	TBD	2	Considerable Risk
18.	Light and Salt Association (Culturally Appropriate Family Support)	\$75,000	\$448,606	1/26/16	2019	2	Moderate Risk
19.	Coalition of Texans with Disabilities (Developmental Disabilities Policy Fellows)	\$67,500	\$0	1/27/15	NA	2	Moderate Risk
20.	The Arc of Texas (Developmental Disabilities Policy Fellows)	\$67,500	\$0	3/6/15	NA	2	Moderate Risk
21.	Reaching Families Advocacy and Support Group (Culturally Appropriate Family Support)	\$79,606	\$0	4/21/16	2019	2	Moderate Risk
22.	Disability Rights Texas (Stakeholder Training on Guardianship Alternatives)	\$40,000	\$8mil	TBD	2019	2	Moderate Risk

Highlighted grantees indicate additional monitoring strategies this quarter.

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

RISK CODE 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)
- GRAY** — Monitor or Accept (basic monitoring only)

RISK ACTIVITIES KEY

- 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 2016

Risk Activities	\$75,999. Award Amount	\$76,000. – \$199,999. Award Amount	\$200,000. – \$499,999. Award Amount	\$500,000. + Award Amount
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

RISK MATRIX 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:

RED — Audit work performed and the Executive Director performs oversight via quarterly report* provided to ensure supervisory and operating controls are working.

YELLOW — Department heads reporting to Executive Director perform oversight functions to ensure supervisory and operating controls are working.

GREEN — Department staff perform oversight functions to ensure supervisory and operating controls are working.

GRAY — Department staff perform basic oversight functions to ensure controls are in place.

Use for Annual Audit or Review Determination:

RED — Red indicates areas to be audited or reviewed by independent CPA.

YELLOW — Yellow indicates areas to be covered through oversight, supervisory and operating controls with guidance from the contracted internal audit services provider.

GREEN — Green indicates areas to be covered through staff oversight with guidance from the contracted internal audit services provider as needed.

GRAY — 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 2016

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 Meeting
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**