

## POLICIES AND PROCEDURES FOR MONITORING

### Home and Community Care Block Grant Non-Block Grant Family Caregiver Support Program

#### 1. Introduction

The Piedmont Triad Regional Council Area Agency on Aging (PTRC AAA) will conduct monitoring of community service providers in accordance with Section 308 of the *North Carolina (NC) Area Agency on Aging Policies and Procedures Manual*.

#### 2. Scheduling Monitoring

**A. Overview.** The PTRC AAA will schedule reviews (i.e. on-site or desk monitoring) with community service providers in accordance with Section 308.2 and Section 308.3 of the *NC Area Agency on Aging Policies and Procedures Manual*. The monitoring period for on-site visits will begin on or after September 1 and will be completed by April 30. If deemed necessary, follow-up visits to review corrective action must be completed prior to June 30.

**B. Monitoring Plan.** A Monitoring Plan will be developed by the PTRC AAA covering the specific period of time covered by the Area Plan. This information will be provided through Exhibit 14 of the Area Plan, which identifies all community service providers within the Planning and Service Area (PSA) and the respective services each provides. The Monitoring Plan will include all unit-based and non-unit based services. When service providers or services change, the Monitoring Plan will be updated to reflect changes. Updates will be consistent with Area Plan amendment time frames. The Monitoring Plan will identify which community service providers will be reviewed in which year and by whom. Selection of which community service provider will be reviewed is based upon risk and need discussed below in Section 2.E. The Regional Advisory Council on Aging (RACA) will receive a copy of the Monitoring Plan annually.

Each year, as part of the annual contracting process with counties, local community service providers must:

- 1) Complete and submit to the PTRC AAA Exhibit 14A, included in the service provider budget package, listing all subcontracts in place to provide community based services to older adults.
- 2) Submit copies of each subcontract or RFP to the Area Agency on Aging for review.

This includes contracting for the Home and Community Care Block Grant (HCCBG), Family Caregiver Support Program (FCSP) and any other funds passed to subcontractors. As part of Exhibit 14A, providers must attest that their subcontractor(s) (public and non-profit entities only) meet the following requirements:

- The subcontractor has not been “suspended or debarred” by the State of North Carolina;
- The subcontractor has not been barred from doing business at the federal level;
- The subcontractor is able to produce a notarized “*State Grant Certification of No Overdue Tax Debts*”;
- All licenses, permits, bonds and insurance necessary for carrying out Home and Community Care Block Grant Services will be maintained by the community service provider;
- The subcontractor is registered as a charitable (501c3) organization with the federal government. (Non-profit subcontractors only.)

The Division of Aging and Adult Services (DAAS) provides programmatic monitoring instruments for all community-based services. These programmatic monitoring tools can be found on the DAAS website and are utilized by the PTRC AAA for monitoring community based programs for older adults. This site provides both Programmatic Monitoring Tools and Compliance Supplement Monitoring Tools that are utilized by the PTRC AAA (or service providers who are monitoring their subcontractors) for monitoring community-based programs for older adults.

OMB Circular A-133 outlines 14 required areas of compliance monitoring by fund source. Complementary tools to the programmatic monitoring instruments are used to document compliance with the relevant 14 compliance requirements and compliance with the conflict of interest requirement for non-profit entities. These tools are completed, by funding source, once programmatic monitoring is complete. The results from these reviews are documented in the monitoring report to the community service provider (sub-recipient).

Review and approval of the Monitoring Plan (Area Plan Exhibit 14 and Exhibit 14A) is the responsibility of the Division of Aging and Adult Services and will follow the process and time frames required to approve regional Area Plans.

**C. Unit Verifications.** Unit Verifications will be performed as needed, but at least every other year for all aging services provided by each community service provider. This process will be conducted on-site. The PTRC AAA will develop an audit trail from the names / units reported on the Units of Verification Report to the basic source documentation (case files, travel logs, log sheets, time sheets, sign-in sheets, etc.). This audit trail will be followed for each name / units sampled. In addition to a review of basic source documentation, the PTRC AAA (or service provider monitoring their subcontractors) will review client records to verify the eligibility of the clients in the sample who receive services.

A Base Sample will be drawn for each aging service provided by a respective community service provider. The following Base Sample guidelines will be employed:

Total Number of Clients Served	Base Sample Size Per Service
1 – 10 clients	All clients served
11 – 100 clients	No less than 10 of the clients
101 – 250 clients	10% of the clients served
251 – 500 clients	7% of the clients served
501 – 1000 clients	6% of the clients served
1001 – 2000 clients	4% of the clients served
2001 – or more clients	2.5% of the clients served

If deemed appropriate by the PTRC AAA monitor or if 10% of the total units reviewed (not client sample) in the Base Sample are found to be ineligible, the sample must be expanded by fifteen (15) new names, or more if needed, and a different month selected that the provider has received reimbursement. The number of units sampled per client is left to the discretion of the PTRC AAA.

Disallowance of Units is at the discretion of the PTRC AAA. However, the following items, if found during monitoring, often constitute disallowance of units associated with the client or service monitored:

- Ineligible units due to a health or safety issue
- Unverified units of service
- Service to ineligible clients

Disallowing units requires the PTRC AAA or community service provider to reduce the number of units reported for reimbursement in the Aging Resources Management System (ARMS).

**D. Fiscal Reviews.** Fiscal Reviews will be conducted annually as desk reviews for all sub-recipients (i.e. service-providing agencies). The annual Area Agency on Aging Self-Assessment will be used to document that the necessary requirements have been met. (Section 308.2.C of the *NC Area Agency on Aging Policies and Procedures Manual*.)

Per DAAS Administrative Letter 06-02, the PTRC AAA has the option to complete on-site fiscal monitoring in lieu of receiving the annual reports from local service providers. The PTRC AAA is required to notify community service providers in writing 30 days prior to an on-site visit if on-site fiscal monitoring will be conducted.

**E. Risk-Based Monitoring Approach.** A Risk-Based Monitoring Approach to monitoring will be employed by the PTRC AAA to appropriately determine the intensity and frequency of Programmatic and Fiscal reviews. Annually, the PTRC AAA will evaluate the level of risk (high, moderate, or low) for each community service provider using the Division of Aging and Adult

Services Risk Evaluation Matrix and Programmatic Risk Evaluation Matrix Supplements. All community service providers determined to be at “high risk” must receive on-site monitoring. For “moderate risk” the PTRC AAA has the flexibility and the choice to determine whether or not to conduct onsite monitoring. For “low risk” the PTRC is not required to monitor the community service provider unless the provider has not been monitored for a three-year period. At a minimum and regardless of “risk” status, each service provider will receive at least one (1) on-site monitoring visit (either programmatic and / or fiscal) during a three-year timeframe.

A “high risk” agency would have one or more of the following conditions:

- Unresolved audit findings
- Unresolved corrective action plans
- Untrained staff in key positions
- Complaints from clients
- Specifically identified management weaknesses

A “moderate risk” agency would have one or more of the following conditions:

- Audit findings or corrective action plans that need additional work
- Key staff that need training in specific areas
- Unfavorable variances on routine ARMS reports

A “low risk” agency would have one or more of the following conditions:

- No unresolved audit findings or corrective action plans
- Capable and trained staff
- No unfavorable variances or unresolved questions from routine reports

In addition, as stated in the *NC Area Agency on Aging Policies and Procedures Manual*, on-site monitoring **should** be performed by the PTRC AAA under the following circumstances:

- If the PTRC AAA and either the office of the county manager or the county board of commissioners agree that an additional monitoring(s) is / are warranted.
- If the PTRC AAA and/or the Division of Aging and Adult Services agree that an additional monitoring(s) is/are warranted.
- If requested by the community service provider.

According to the *NC Area Agency on Aging Policies and Procedures Manual*, on-site monitoring **will** be performed by the PTRC AAA under the following circumstances:

- If non-compliance findings are identified and not corrected by the community service provider within the time frames specified in their Corrective Action Plan.
- If a new community service provider is funded by a county and has no recent history of providing the service.
- If a service provider is closing out its full contract or a specific service and will no longer be providing service(s) in the subsequent year within that Planning and Service Area.

**F. Programmatic Monitoring.** Programmatic Monitoring will be conducted on each new community service provider providing a service within the Planning and Service Area (PSA). With the exception of Housing and Home Improvement, programmatic monitoring will be conducted on all HCCBG community service providers as needed but at least once every three years. Programmatic monitoring will be performed for Housing and Home Improvement annually. Non-Block Grant programs will be programmatically monitored every fiscal year. Family Caregiver Support programs will be programmatically monitored as needed but at least once every two years. **Need** is defined as the PTRC AAA’s knowledge or perception that a problem exists with a community service provider which has the potential to disrupt service, be an audit exception, and / or violate state or federal policy, laws, etc. Need is determined through the PTRC AAA’s annual risk-based monitoring approach as defined in Section 2.E above.

**G. Subcontractor Monitoring.** Annually, between January 1 and June 1, providers must complete an annual “Subcontractor Performance Evaluation” form on all subcontractors and submit to the PTRC AAA. The purpose of the performance evaluation is to establish a regular review process for all community service providers to verify that the subcontractor has met the terms and conditions of their subcontract. The form has five minimum requirements for certain HCCBG services including Adult Day Care, Adult Day Health Care, In-Home Aide, Congregate Nutrition, Home Delivered Meals, Transportation, and Housing and Home Improvement. Depending on the subcontract, some items may be “not applicable”. A generic Subcontractor Performance Evaluation Form must be used for all other services. These forms also include space for specific language related to the specific subcontract provisions and verification of compliance being met. The PTRC AAA will review the Performance Evaluation Form to verify the annual review is completed and will be used in determining the provider level of risk for Exhibit 14 of the Area Plan.

The PTRC AAA will monitor providers using the DAAS Service Monitoring tools and according to Exhibit 14 of the AAA Area Plan. (Refer to Section 2.F above for frequency of programmatic monitoring.) Services subcontracted (fully or partially) will also be monitored by the PTRC AAA through one of the following methods:

<b>Subcontractor Monitoring Method 1</b>	The PTRC AAA may monitor a subcontractor (optional: in the presence of the provider) to assure compliance for all service standard requirements that have been assigned to the subcontractor through a legally executed subcontract.
<b>Subcontractor Monitoring Method 2</b>	The PTRC AAA and the provider may monitor to assure compliance with all service standard requirements that have been assigned to the subcontractor through a legally executed subcontract.

<b>Subcontractor Monitoring Method 3</b>	The PTRC AAA may accept the completed DAAS Service Monitoring Tool(s) and backup source documentation from the monitoring of a subcontractor completed by the provider. This option would require the provider to complete the onsite monitoring of subcontractors prior to the monitoring visit of the PTRC AAA on a schedule determined by the annual risk monitoring.
--	--

A subcontractor is defined as an entity that has been contracted to do a job within the scope of the service provider’s grant award. The subcontractor is accountable for the same requirements as the service provider, depending on the terms of the subcontract.

**H. Confirming the On-Site Review.** The PTRC AAA will confirm the tentative date set for an on-site monitoring visit with the community service provider at least 30 days prior to the on-site visit via a monitoring confirmation letter. In addition, the chair of the applicable county aging planning committee will receive a copy of the letter. The monitoring confirmation letter from the PTRC AAA will include the date, time, type of review to be conducted, the name(s) and position(s) of the PTRC AAA staff who will conduct the review, as well as the link to the DAAS website containing the monitoring tools. The PTRC AAA will review Section 2.G above (Subcontractor Monitoring) with the community service provider and confirm with the community service provider, either verbally or in writing, which method will be used to monitor subcontracts before scheduling any on-site monitoring visit. The PTRC AAA will also reach an understanding with the community service provider as to which community service provider staff are expected to participate in the on-site monitoring visit prior to sending a monitoring confirmation letter.

Once the on-site monitoring visit has been scheduled, the community service provider will conduct a self-assessment utilizing the monitoring tool(s) prepared by the DAAS. Each service provider is to complete the appropriate sections of the monitoring tool(s) before the PTRC AAA staff arrive and have their supporting documentation readily available for review and verification. The completed monitoring tool(s) will be utilized as a guide during the PTRC AAA’s on-site review.

Primarily, it is the responsibility of the Aging Systems Coordinator serving as the Lead Monitor to schedule and coordinate all HCCBG (Home and Community Care Block Grant) and NBG (Non-Block Grant) monitoring under the supervision of the AAA Director. The Family Caregiver Support Specialist will conduct the monitoring of Family Caregiver Support programs in coordination with the Lead Monitor.

The PTRC AAA will meet with the community service provider director or a representative designated by the director of that agency at the start of the on-site visit. As part of the on-site monitoring visit, the PTRC AAA will have discussion with staff of any concerns or questions they may have at this time. The appropriate community service provider staff should be available for the duration of the on-site visit. The PTRC AAA will conduct an exit conference with the community service provider director to briefly share findings. An

official monitoring report will be sent in accordance with Section 3 “Monitoring Reports” below.

### 3. Monitoring Reports

The PTRC AAA will complete a written monitoring report and forward it to the executive director or chief executive officer of the community service provider within thirty days of the completion of the on-site visit. Each monitoring report contains the following information:

- Name and address of community service provider monitored.
- Fund Sources and specific program monitored.
- Name and title of monitoring staff.
- A summary of the areas reviewed during the site visit and, if applicable, a list of the non-compliance programmatic findings.
- Acknowledgement of compliance or non-compliance as related to the applicable 14 Audit Supplement Criteria by funding source (CFDA #), which are:
  - ◆ Activities Allowed or Un-allowed
  - ◆ Allowable Costs/Cost Principles
  - ◆ Cash Management: (Not applicable to aging)
  - ◆ Davis-Bacon Act: (Not applicable to DHHS)
  - ◆ Eligibility
  - ◆ Equipment and Real Property Management
  - ◆ Matching, Level of Effort, Earmarking
  - ◆ Period of Availability of Funds
  - ◆ Procurement and Suspension and Debarment
  - ◆ Program Income
  - ◆ Real Property Acquisition and Relocation Assistance: (Not applicable to DHHS)
  - ◆ Reporting
  - ◆ Sub-recipient Monitoring
  - ◆ Special Test and Provisions
- Acknowledgement of compliance or non-compliance with the Conflict of Interest policy (non-profit entities only).
- A description of relevant findings and areas of non-compliance with recommended corrective action.
- Any suggestions for improvement and / or technical assistance.
- If applicable, the method used to monitor subcontractors and the results of this monitoring (see Section 2.G above).
- And the date a written corrective action is to be received by the PTRC AAA (normally within 30 days of the issuance of the monitoring report).

If no non-compliance is cited, the monitoring is closed with no further response necessary by the community service provider.

## **4. Corrective Action Plan**

The Monitoring Report will include the results of the review. It indicates the compliance or non-compliance for each service standard, and the corrective action if needed.

Circumstances, which may require a corrective action plan:

- Unverified units of service.
- Audit exceptions identified by an independent auditor.
- Issues that arise from the Internal Control Questionnaire.
- Consumer grievances to PTRC AAA.
- Issues directly related to service delivery and quality.

The monitoring report narrative will discuss why there is non-compliance for the service standard and what corrective action is required by the community service provider. PTRC AAA staff will offer any appropriate technical assistance at this time.

The community service provider must respond with a corrective action plan with initial action taken, including policy or procedural changes, within thirty (30) calendar days. The PTRC AAA Lead Monitor will review the corrective action returned by the service provider and, if it is in compliance, forward to the PTRC AAA Director for approval. Upon approval, a letter will be sent to the community service provider executive director or chief executive officer notifying them of compliance.

If the corrective action plan is not approved, the community service provider will be notified of the next step necessary to be compliant. The PTRC AAA will offer any technical assistance, which may be necessary.

## **5. Follow-Up**

The PTRC AAA will follow-up on a community service provider's corrective action plan of a 'non-compliance' finding when the correction is not completed sufficiently to insure and / or maintain compliance. The follow-up process may be by telephone to clarify a misunderstanding; may require submission or resubmission of documentation or information; or may require an on-site follow-up.

On-site follow-ups will be required at the PTRC AAA Director's discretion and may be based on the following:

- Client Registration Forms not completed or utilized appropriately.
- Unverified units of service.
- Consumer complaints in the area of non-compliance.
- Reoccurring non-compliance in a program service standard.
- A non-compliant practice occurring in different programs by the same agency.
- Written indicators in independent audit reports.
- Staff turnover.



- Any other issues considered to place the agency at high-risk.

The PTRC AAA staff may utilize written follow-up when more extensive documentation or written clarification is needed from the service provider.

The follow-up process will continue until the community service provider is in compliance or other actions are initiated. The process will be completed prior to June 30. When all compliance errors are corrected, a closeout letter will be sent to the service provider to complete the monitoring process for the fiscal year.