

CF OPERATING PROCEDURE
NO. 55-1

STATE OF FLORIDA
DEPARTMENT OF
CHILDREN AND FAMILIES
TALLAHASSEE, July 1, 2021

Financial Management

POLICIES AND PROCEDURES OF FINANCIAL MONITORING

This operating procedure describes uniform policies and procedures for financial monitoring activities of contracts with Community Based Care (CBC) Lead Agencies and Substance Abuse and Mental Health (SAMH) Funded Managing Entities (ME).

BY DIRECTION OF THE SECRETARY:

(Signed original copy on file)

TONY LLOYD
Assistant Secretary for
Administration

SUMMARY OF REVISED, DELETED, OR ADDED MATERIAL

In paragraph 1-2, changed Chief Financial Officer Memorandum (CFOM) No. 06 (2011-2012) to Chief Financial Officer Memorandum (CFOM) No. 05. In paragraph 3-1, changed 2 CFR 200.331(b) to 2 CFR 200.332(b). In paragraph 8-5i, changed Chief of CBC/ME System of Care Monitoring Unit to Chief Quality Officer.

This operating procedure supersedes CFOP 55-1 dated October 1, 2019.

OPR: Revenue Management and Partner Compliance

DISTRIBUTION: X: General Counsel; Contract and Procurement Services; Assistant Secretary for Administration; Assistant Secretary for Child Welfare; Assistant Secretary for Substance Abuse and Mental Health; Assistant Secretary for Operations; Regional Managing Directors; Contract Managers.

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Chapter 1

GENERAL PROVISIONS

1-1. Purpose and Scope. This operating procedure establishes uniform policies and procedures for the financial monitoring activities and reporting for contracts with Community Based Care (CBC) Lead Agencies and Substance Abuse and Mental Health (SAMH) Funded Managing Entities (ME).

1-2. Authority. Sections 409.996(2), Florida Statutes (F.S.); 409.996(3), F.S.; 409.986(1)(b), F.S.; 394.741, F.S.; 394.9082, F.S.; 402.7305(4), F.S.; 215.97, F.S.; and 287.0575, F.S.; Code of Federal Regulations Title 2, Part 200 (2 CFR, Part 200) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (also known as the Super Circular); and Chief Financial Officer Memorandum (CFOM) No. 05.

1-3. Overall Policy. To ensure that the funds provided in contracts with subrecipients are used for authorized purposes; in compliance with the appropriate federal and state laws and regulations, terms and conditions of the contracts, and administrative rules effecting the reporting of financial information; to maximize all funding sources utilized, and to report results from various financial monitoring activities.

1-4. Mission. The mission of providing financial monitoring of subrecipients is "To continually improve the State of Florida's ability to provide financial accountability through partnership with its local community-based care organizations."

1-5. Organizational Makeup and Independence. Financial Monitoring of the CBC Lead Agency and SAMH Funded Managing Entity Contracts is a statewide centralized function. This function is completed by the Office of CBC/ME Financial Accountability (OFA) under the Revenue Management and Partner Compliance Director under the Assistant Secretary for Administration located at Headquarters.

1-6. Security. The nature of the work performed during financial monitoring activities requires that some work areas and files be secured. Security requirements for the Office of CBC/ME Financial Accountability will be considered on an individual basis.

1-7. Code of Ethics. Each member of the Office of CBC/ME Financial Accountability shall be knowledgeable of the Code of Ethics and of his or her personal responsibilities. Each employee shall be familiar with the contents of Part III of Chapter 112, F.S., entitled "Code of Ethics for Public Officers and Employees," with attention to §112.311, F.S.; §112.313 F.S.; and §112.3185, F.S., and with CFOP 60-5, Chapter 5, Code of Ethics for Public Officers and Employees.

a. Employees are prohibited by §112, Part III, from soliciting or accepting anything of value that would cause them to be influenced in the discharge of their responsibilities.

b. Employees are prohibited from revealing confidential information from DCF or provider records to unauthorized persons.

c. Employees are expected to conduct themselves in a manner that favorably reflects upon the State of Florida, DCF, and themselves.

Chapter 2

FINANCIAL MONITORING FOUNDATION

2-1. Definitions.

- a. Actionable describes information in Office of CBC/ME Financial Accountability reports, meaning that the information is capable of being acted on by the contract manager. Actionable information is linked to specific requirements of the contract, Department policy, rules and regulations, or statutory requirements.
- b. Administrative monitoring refers generally to monitoring of requirements that are universally applied to all contracts, which typically means those requirements found or referenced in the Standard Contract.
- c. Contract Oversight refers to the statewide centralized Contract Oversight function, including the Chief, the headquarters staff, and all Contract Oversight Units. DCF Operating Procedure (CFOP) 75-8 is the operating procedure followed by the Contract Oversight Unit within the Office of Contracted Client Services.
- d. Contractual Compliance means meeting requirements or delivering required levels of service with respect to the administrative and programmatic standards defined by the Department's standard contract and all its attachments, Departmental policy, Florida Statutes (F.S.) and Florida Administrative Code (F.A.C.), and federal laws and regulations.
- e. Department refers to the Florida Department of Children and Families (DCF) as created in Section 20.19, Florida Statutes.
- f. Desk Review refers to an evaluation conducted for each CBC Lead Agency and SAMH Funded Managing Entity during the fiscal year.
- g. Financial Monitoring refers to an activity conducted by the Office of CBC/ME Financial Accountability to evaluate a subrecipient's use of funds for authorized purposes, in compliance with federal and state laws and rules, and the terms and conditions of the contract in a manner that includes desk reviews and on-site activities. It is conducted to evaluate a provider's financial accountability for a defined period "of time."
- h. Meeting refers to the act or process of coming together. Meetings conducted for purposes of this operating procedure may be conducted face-to-face or across distances using technology such as conference calls. In general, face-to-face meetings are preferable, but are not always economical or feasible. When meetings are conducted across distances, common sense adjustments to normal face-to-face meeting procedures are expected and acceptable.
- i. Office of CBC/ME Financial Accountability refers to an office under the Revenue Management and Partner Compliance Director under the Assistant Secretary for Administration located at Headquarters.
- j. On-site Financial Monitor Schedule refers to a document listing the CBC Lead Agency and SAMH Funded Managing Entity contracts and providers anticipated to be monitored on-site during the fiscal year.
- k. Programmatic monitoring refers generally to monitoring of requirements that are not standard across all contracts. These are typically found or referenced in the contract Attachments and Exhibits.

l. Report refers to a document describing the results of monitoring conducted by the Office of CBC/ME Financial Accountability.

m. Risk Assessment refers to an internal process used by the Office of CBC/ME Financial Accountability to evaluate variables associated with each CBC Lead Agency and SAMH Funded Managing Entity and assign a rating for the estimated risk of noncompliance associated with each contract. The information is used for scheduling on-site financial monitoring.

n. Secretary refers to the Department head of the Florida Department of Children and Families.

2-2. Financial Requirements in Contracts Are the Foundation of Financial Monitoring.

a. Contract Financial Requirement Basis. The purpose of monitoring is to provide information to the contract manager and program management related to the provider's compliance with the financial terms and conditions of its contract. Therefore, financial monitoring is essentially linked to the actual current contract(s) in existence between the Department and the service provider.

b. Compliance Perspective. Monitoring performed by the Office of CBC/ME Financial Accountability is limited to those financial compliance requirements found in the contract(s) or incorporated into the contract(s) by reference.

c. Contract Documents. As described in CFOP 75-2, DCF contracts include a standard contract document that is universal to all contracts, and other amendments, attachments, and exhibits. Amendments, attachments, and exhibits may be standardized across a given program or type of contract, modified during the negotiation process with a particular provider, or uniquely designed for a particular contract. Standardized contract documents are typically revised over time, meaning that a particular contract may include documents that are not the most current versions. Due to these factors and others, each contract has the potential to be unique.

d. Requirement for Customization. Each monitoring may have a unique planning process that is based on the contract(s) being monitored and the scope specified. Statewide tools and approaches are to be considered generic. It is the responsibility of the Office of CBC/ME Financial Accountability to customize generic tools or create unique tools as needed for each monitoring. Tools and monitoring must always be based on the terms and conditions of the specific contract(s).

2-3. Processes. Financial monitoring involves several key processes: assessing risk, scheduling, and conducting monitoring activities. Conducting monitoring activities includes conducting desk review monitoring, preparing for on-site monitoring, conducting on-site monitoring, reporting results of monitoring, and maintaining records of monitoring.

2-4. Individuals and Groups Involved in Financial Monitoring.

a. Contract Manager. The contract manager is the Department's employee responsible for enforcing the compliance with contract terms and conditions, as stated in §402.7305(1)(a), F.S. and CFOP 75-2. The Office of CBC/ME Financial Accountability will keep the contract manager informed of communications with the provider.

b. Financial Monitor. The financial monitor is the Department's employee assigned to the Office of CBC/ME Financial Accountability.

(1) The financial monitor is an individual or team member responsible for observing, recording, and reporting the information about the provider's financial compliance with the terms and conditions of the contract.

(2) Financial monitors are specifically trained to conduct financial monitoring.

(3) Each financial monitor represents the Office of CBC/ME Financial Accountability. Each financial monitor has authority to conduct financial monitoring of providers in compliance with the policies and procedures contained herein, to enter facilities, and to secure and review all records, data, and other information of the provider.

(4) Financial monitors are not involved in the administering of any disciplinary action that is based upon the findings of the Office of CBC/ME Financial Accountability Report. Financial monitors are not involved in development or implementation of corrective action plans.

(5) Financial monitors may provide technical assistance to contract managers regarding procedures or practices that might improve compliance, but this information is to be offered to the contract manager in the form of suggestions or ideas. The Office of CBC/ME Financial Accountability is not involved in the corrective action plan process.

(6) Financial monitors may provide technical assistance to providers directly, but the contract manager is to be informed as soon as possible afterwards. Information is to be offered in the form of suggestions or ideas that might improve compliance. It is preferable to provide assistance to the contract manager directly, since the contract manager is assigned responsibility for approving and overseeing corrective actions.

c. Financial Monitoring Team. One or more financial monitors will be designated as the Office of CBC/ME Financial Accountability Team for conducting a particular financial monitoring activity. One of the individuals on the team will be designated as the Team Leader, and the other designated individuals serve as Team Members for the specified activity.

d. Contract Service Providers. Contract service providers are individuals or organizations with a contractual relationship with the Department to provide services. Some providers have more than one contract with the Department.

2-5. Financial Monitoring On-Site Frequency.

a. Frequency of On-site Financial Monitoring for Providers with One Contract. In general, it is the goal of the Office of CBC/ME Financial Accountability to conduct on-site financial monitoring of CBC Lead Agency and SAMH Funded Managing Entity Contract providers at least once every three years. However, any CBC Lead Agency and SAMH Funded Managing Entity Contract provider may be monitored at any time.

b. Frequency of On-site Financial Monitoring for Providers with More than One Contract. When a CBC Lead Agency and SAMH Funded Managing Entity Contract provider has more than one contract with the Department, the Revenue Management and Partner Compliance Director will coordinate on-site financial monitoring of multiple contracts into a single monitoring activity and will determine the frequency of review, considering the risk assessment results for all the various contracts involved.

2-6. Approaches Used for Financial Monitoring of Contracts. Monitoring is typically performed by reviewing documents, interviewing individuals, and making observations. Information is analyzed by monitors and recorded on tools.

a. Document Review. Document review is the most common monitoring technique. Documents commonly reviewed during desk reviews and on-site monitoring include financial policies and procedures, payroll records, receipts, invoices, procurement records, subrecipient monitoring records, property records, reports, and publications.

b. Interviews. Interviews may be performed with provider and/or Department staff to clarify information found in documents or gathered in observations, or to obtain information about processes and procedures that is not found in documents.

c. Observation. Certain contract terms may be monitored through actual observation of activities or items. For example, inventory records may be validated by observing property.

d. Tools. The Office of CBC/ME Financial Accountability uses monitoring tools that are customized based on the terms or conditions of a particular contract. While most tools are spreadsheets, a copy of an exhibit from a contract or a page from a report where the monitor notates compliance with requirements or tasks may also serve as a monitoring tool. Each monitoring tool must:

- (1) Identify financial requirements that are based on contract terms and conditions.
- (2) Utilize a rating system of compliance and non-compliance.
- (3) Allow for explanations and supporting documentation, especially where the provider is non-compliant.

2-7. Scope of Financial Monitoring.

a. Potential Scope. The Office of CBC/ME Financial Accountability monitors CBC Lead Agency and SAMH Funded Managing Entity Contract providers' compliance with financial contract terms and conditions, including requirements found in associated and referenced documents and in applicable laws, rules, regulations, and operating procedures. Interim policies issued by the Department may be included also. The potential scope for Office of CBC/ME Financial Accountability monitoring is limited to these areas.

(1) To the greatest extent possible, the Office of CBC/ME Financial Accountability will use the standards in place at the time the services were delivered to evaluate compliance.

(2) The Office of CBC/ME Financial Accountability will preferentially review recent or current performance associated with the existing or current contract. Monitoring is a snapshot of the provider's performance at a certain time and is not a comprehensive analysis of an entire performance period.

(3) It is not the role of Office of CBC/ME Financial Accountability to investigate allegations of fraud or other wrongdoing. Such allegations are to be reported to the Inspector General of the Department, in the manner described in CFOP 180-4. Investigation of such allegations is not within the potential scope of the Office of CBC/ME Financial Accountability.

b. Actual Scope. The Revenue Management and Partner Compliance Director is responsible for designating the actual scope of a monitoring.

2-8. Conflict of Interest. Financial Monitors are required to render impartial and unbiased judgments. Financial Monitors shall sign a Conflict of Interest Statement before monitoring each Contract provider. It shall be filed with the monitoring workpapers. In cases where a potential conflict of interest is noted, the OFA Monitoring Unit Supervisor shall determine if the staff person is to participate in the Monitoring, or how participation will be modified to address the potential conflict. If the OFA Monitoring Unit Supervisor has a potential conflict of interest, the Revenue Management and Partner Compliance Director shall make the determination.

Chapter 3

ASSESSING RISK

3-1. Risk Assessment. Risk assessment is a process required by 2 CFR 200.332(b). The results are considered in determining frequency of on-site monitoring. There is no other appropriate use for this information. Consistent and uniform risk assessment statewide permits the Office of CBC/ME Financial Accountability to apply financial monitoring resources systematically and fairly to the areas of greatest need and reduces perception of bias or favoritism in the selection of CBC Lead Agency and SAMH Funded Managing Entity Contract providers to be monitored on-site.

3-2. Development of the Risk Assessment. The risk assessment uses predetermined factors to rank contracts. The factors and the associated weights and scoring will be evaluated and updated annually, and may be changed or adjusted during the year, but will be applied uniformly statewide.

3-3. Completing the Risk Assessment. At the beginning of the fiscal year, the Office of CBC/ME Financial Accountability will complete the risk assessment for all CBC Lead Agency and SAMH Funded Managing Entity Contract providers. The risk assessment will be completed using the best information available at the time. The risk assessment will be initially completed by the deadline established by the Revenue Management and Partner Compliance Director for the fiscal year. At the end of the initial risk assessment process, each CBC Lead Agency and SAMH Funded Managing Entity Contract provider will be assigned a relative rating of high, medium, or low risk based on its score in the risk assessment.

3-4. Updating the Risk Assessment. The purpose of updating the risk assessment is to include any new or updated information used in completing the initial risk assessment which may change the priority for monitoring. The Revenue Management and Partner Compliance Director will determine the point-in-time after which the risk assessment will not be updated further during that fiscal year. Following this time, the Office of CBC/ME Financial Accountability will continue to download and consider information about CBC Lead Agency and SAMH Funded Managing Entity Contract providers. This does not prevent the provider from being added to the schedule for on-site monitoring.

Chapter 4

SCHEDULING

4-1. Policy. The annual financial monitoring schedule considers the risk level assigned to CBC Lead Agency and SAMH Funded Managing Entity Contract providers.

4-2. Annual CBC/ME Financial Monitoring Schedule.

a. Responsibility. The Revenue Management and Partner Compliance Director shall develop an annual financial monitoring schedule, considering information from the risk assessment. The schedule is a plan and is subject to change. The schedule shall be initially completed early in the fiscal year, by a deadline established for that year, which shall generally be about sixty (60) calendar days after the start of the fiscal year.

b. Coordination. The Revenue Management and Partner Compliance Director shall consult with the Assistant Secretary for Operations, Assistant Secretary for Child Welfare (for CBC Contact Providers), Assistant Secretary for Substance Abuse and Mental Health (for ME Contract Providers), and Assistant Secretary for Administration prior to finalizing the annual financial monitoring schedule.

c. Content. The schedule will identify CBC Lead Agency and SAMH Funded Managing Entity Contract providers planned for on-site monitoring during the year.

c. Communication. Schedule information shall be made available on the Department's intranet website for the Office of CBC/ME Financial Accountability.

4-3. Modifying the Schedule. Schedules may be modified due to scheduling conflicts or changes in prioritization of visits. Updated schedules will be posted periodically on the intranet.

4-4. Special Monitoring and Unscheduled Visits. The Office of CBC/ME Financial Accountability may conduct special monitoring, which may include unscheduled site visits to the provider. Any provider may be monitored, regardless of whether such monitoring was originally included in the annual schedule.

a. Requesting Special Financial Monitoring. Any Department staff may send requests for special financial monitoring to the Revenue Management and Partner Compliance Director. Requests should specify the reasons for concern and the requested scope of monitoring.

b. Considering Special Requests. The Revenue Management and Partner Compliance Director will determine the most appropriate response to special requests.

c. Responding to Requests. In planning and executing monitoring based on special requests, the Revenue Management and Partner Compliance Director will determine how routine procedures or processes will be modified or customized, based on the needs of the Department, the nature of the request, and any other salient factors.

Chapter 5

PREPARING FOR ON-SITE FINANCIAL MONITORING

5-1. Overview. Preparing for the on-site monitoring visit involves communicating with involved individuals or groups; analyzing the contract and associated attachments, exhibits, and related information; creating or customizing monitoring tools; and completion of pre-site activities such as analysis of information in DCF automated systems or evaluation of documents provided in advance of the on-site activity.

5-2. The Monitoring Plan. Each monitoring will have a monitoring plan developed prior to the start of the on-site activity. At a minimum, the monitoring plan includes the tool developed for the monitoring and plans for sampling. It is expected that monitoring plans will be modified and adjusted during implementation.

5-3. Requests for Documents. It is preferable to obtain documents directly from Department sources whenever possible, for any provider. Documents should be requested from contract managers or other Department sources prior to requests being made to providers.

5-4. Sampling. It is appropriate in most situations for monitors to gather information by examining a limited number of records instead of examining all records. The following guidance is provided.

a. Statistical Significance. Financial monitoring is not scientific research. It is not necessary for a sample size to meet any specific level of statistical significance. Office of CBC/ME Financial Accountability Team Leaders will exercise good judgment to make common sense decisions regarding sample size.

b. Adjusting Sample Size. It is reasonable to adjust the planned sample size during a monitoring. Sample sizes might be reduced if results are extremely consistent for the first records reviewed. Sample sizes might be increased if the team identifies even a single instance of a high-risk problem. Team Leaders will obtain verbal approval from the Revenue Management and Partner Compliance Director for any adjustments to the planned sample size.

c. Random Selection. Financial monitoring is not scientific research. It is not necessary to select random samples. It is appropriate to identify samples for richness or complexity, due to patterns and trends, or for reasons of convenience.

d. Review Period. Financial monitoring is typically limited to include records from the current contract(s) and not expired contract(s). Exceptions may be reasonable given certain circumstances and must be approved by the Revenue Management and Partner Compliance Director. When review periods are identified, the review period is typically associated with selection of samples.

Chapter 6

PERFORMING ON-SITE FINANCIAL MONITORING

6-1. Entrance Conference at the Provider Site. The Office of CBC/ME Financial Accountability Team Leader conducts an entrance conference meeting with the provider's representative(s) at the start of the on-site activity. The provider may designate its representatives. The Department's contract manager and any employee designated by the Department should attend. Monitoring Team Members usually attend the entrance conference. The entrance typically includes discussion of or information about the following:

- a. Introductions of participants.
- b. Purpose, scope, and schedule of the on-site financial monitoring.
- c. Current monitoring processes such as document tracking, debriefings, exit processes, and report processes. If the provider has been monitored by Office of CBC/ME Financial Accountability before, the discussion may include information about process changes since the previous monitoring.
- d. The Office of CBC/ME Financial Accountability may have already provided its on-site document request and sample list, but if not, this is generally provided during or immediately following the entrance conference.
- e. The Office of CBC/ME Financial Accountability may have already made arrangements for interviews or scheduled times for debriefing meetings with provider staff, but if not, these arrangements may be made during or immediately following the entrance conference.

6-2. On-Site Monitoring. Financial monitors complete prepared approved tools by synthesizing information and analyzing the results relative to the compliance requirements. Each item is rated for compliance or noncompliance, as not applicable, or as questionable if the monitor is not able to make a determination of compliance or noncompliance.

a. Supporting Information and Workpapers. When an item is rated as in compliance, additional commentary by the monitor and collection of supporting documentation is not required. For any other rating, the monitor will include comments describing the issue or situation. The monitor will collect a copy of supporting documents for items rated as noncompliant whenever such documents exist, for inclusion in the workpapers.

b. Team Leader Role in Quality Assurance. Office of CBC/ME Financial Accountability Team Leaders are responsible for assuring tools are fully and correctly completed and that supporting documentation has been gathered. Team Leaders will evaluate completed tools from team members while still on-site whenever possible. Team Leaders will review completed tools and return incomplete tools for completion. Team Members may be asked to explain certain ratings. Team Leaders will determine if tools are completed and if appropriate supporting documentation was gathered, or if more is needed.

6-3. Adjustments to Scope During On-Site Monitoring. During monitoring, the Office of CBC/ME Financial Accountability may become aware of a compliance problem in an area that was not originally included in the monitoring plan. When this happens, the Team Leader will consult with the Revenue Management and Partner Compliance Director to determine if additional activities will be conducted to monitor performance related to the emerging issue, and if so, the extent of activities. Information about the compliance problem will be discussed in status updates, will be included in the exit conference summary, and may be included in the final report, even though it was outside the planned monitoring plan.

6-4. Status Updates. Office of CBC/ME Financial Accountability will periodically update providers and contract managers regarding the progress of monitoring, fulfillment of document requests, and any emerging concerns, issues, and/or findings. These status updates are generally scheduled for the convenience of the provider. The provider may choose not to participate in some or all of the status updates provided to the contract manager. Status updates will be led by the Team Leader.

6-5. Provider Document Requests. The Office of CBC/ME Financial Accountability will periodically provide a list of document requests that have been made directly to the provider, with information to show if the request has been met or not. The list will be given to the provider's representative, to inform the provider about needed documents. Providers may be asked to sign the document request. The list will be maintained in the workpapers by the Team Leader.

6-6. Exit Conference Summary. In preparation for the exit conference, the Office of CBC/ME Financial Accountability Team Leader will prepare an exit conference summary.

a. The summary will provide information on areas of noncompliance that were identified during the monitoring.

b. The summary may contain additional details related to findings that may not appear in the final report.

c. The summary may contain concerns that are not clearly nonconformance with the contract.

d. The exit conference summary will typically be given to the provider and the contract manager in advance of the exit conference, but this may not be the case if the exit conference takes place on the last day of monitoring.

e. Any changes to the exit conference summary because of information produced at or after the exit conference and any questions or disagreements with findings will be hand noted by the Team Leader on the exit conference summary.

6-7. Exit Conference. The exit conference is a formal meeting between the Office of CBC/ME Financial Accountability and the provider that represents the conclusion of the on-site monitoring activity.

a. The exit conference is conducted by the Office of CBC/ME Financial Accountability Team Leader and may be conducted by phone or other mechanism when this is efficient and agreeable to involved parties.

b. The Team Leader will offer to review the exit conference summary, and as requested will review any findings and discuss results. The Team Leader will respond to any questions from the contract manager or the provider.

6-8. Workpapers. The Office of CBC/ME Financial Accountability Team Leader will assemble and organize workpapers following the conclusion of the monitoring.

a. Workpapers will include Conflict of Interest Statements; correspondence; planning documents including the monitoring plan; monitoring documents including completed tools, documents, and other information to support findings; completed document request (s) and exit conference summary; and the report.

b. Workpapers will be maintained within the Office of CBC/ME Financial Accountability. It is typical for the Office of CBC/ME Financial Accountability to maintain records for the two prior fiscal

years, in addition to the current year, but this is a guideline and not a requirement. Records are subject to general record retention schedules.

Chapter 7

DESK REVIEWS

7-1. Policy. The Office of CBC/ME Financial Accountability performs desk reviews periodically for each CBC/ME during the fiscal year.

7-2. Desk Reviews for CBC/ME Providers with Multiple Contracts. When a CBC/ME has more than one contract and requires a desk review, the desk review will be conducted for each contract separately.

7-3. Number of Desk Reviews for CBC/ME Providers. The number of desk reviews to be completed for each CBC/ME Provider will be determined during the annual risk assessment.

7-4. Desk Review Monitoring Period. The desk review monitoring period will normally cover one quarter of the fiscal year (July-September, October-December, January-March, or April-June); however, the monitoring period will be determined during the annual risk assessment.

7-5. Desk Review Disbursement Sampling. The minimum number of disbursements to be sampled during each desk review is determined based on the results of the annual risk assessment.

7-6. Desk Review Workpapers. The Office of CBC/ME Financial Accountability staff will assemble and organize workpapers following the conclusion of the desk review monitoring.

a. Workpapers will include Conflict of Interest Statements; correspondence; planning documents including the monitoring plan; monitoring documents including completed tools, documents, and other information to support findings; completed document request (s); and the report.

b. Workpapers will be maintained within the Office of CBC/ME Financial Accountability. It is typical for the Office of CBC/ME Financial Accountability to maintain records for the two prior fiscal years, in addition to the current year, but this is a guideline and not a requirement. Records are subject to general record retention schedules.

7-7. Due Dates for Desk Reviews. Desk reviews will usually be completed during the fiscal year but may be completed during the ninety (90) calendar days following the end of the fiscal year. The desk review will be based on performance of the provider during the fiscal year.

Chapter 8

REPORTING

8-1. Policy. The Office of CBC/ME Financial Accountability Report(s) summarize information gathered during the desk and on-site reviews for the contract manager and program management.

8-2. General Information about Reports. The report is produced in the format specified by the Revenue Management and Partner Compliance Director. It is issued to the contract manager in an electronic format. Reports for on-site reviews are due to the contract manager fifteen (15) calendar days from the date of the exit conference, unless the contract manager is informed in writing of the need for an extension. Reports for desk reviews are issued at the completion of the desk review procedures. The reports summarize information about noncompliance.

8-3. Draft Reports. Draft reports are issued to the contract manager at the end of each desk and on-site review. Responses to draft reports that contain findings are due to the Office of CBC/ME Financial Accountability within fifteen (15) calendar days of receipt of the draft report unless the contract manager has requested an extension. A response is not required for draft reports with no findings.

8-4. Final Reports. Final reports are issued within fifteen (15) calendar days following receipt of responses to draft reports, unless an extension is approved by the Revenue Management and Partner Compliance Director. The final report will be updated for information provided with the response to the draft report, if necessary.

8-5. Final Reports Distribution. Final Reports will be distributed to the following DCF personnel:

- a. Deputy Secretary;
- b. Assistant Secretary for Administration;
- c. Assistant Secretary for Child Welfare (CBC Reports Only);
- d. Assistant Secretary for Substance Abuse and Mental Health (ME Reports Only);
- e. Assistant Secretary for Operations;
- f. Chief of Revenue Management;
- g. Chief Procurement Officer;
- h. Chief of Contract Oversight Unit;
- i. Chief Quality Officer;
- j. Family and Community Services Director, as applicable (CBC Reports Only);
- k. Chief of SAMH Contracts (ME Reports Only);
- l. SAMH Regional Director, as applicable (ME Reports Only);
- m. Regional Managing Director, as applicable;
- n. Contract Supervisor(s), as applicable; and,
- o. Contract Manager(s), as applicable.

8-6. Responses to Reports. The contract manager's file is the official file of record, and any individual or group wishing to respond to a report should ensure the response is put on file with the contract manager.

Chapter 9

CORRECTIVE ACTION PLANS

9-1. Policy. The contract manager is responsible for requesting, reviewing and approving corrective action plans, preparing status reports on the plans (as required) and overseeing their implementation related to findings identified in Final financial monitoring reports. The Office of CBC/ME Financial Accountability will periodically follow-up with contract managers to determine the status of corrective actions taken by CBC Lead Agency and SAMH Funded Managing Entity Contract providers to address findings identified in Final financial monitoring reports.

9-2. Corrective Action Plans. The Office of CBC/ME Financial Accountability will obtain copies of corrective action plans from the contract manager related to findings included in Final financial monitoring reports for the workpapers.

9-3. Corrective Action Follow-up. The Office of CBC/ME Financial Accountability will periodically follow-up with the contract manager to determine the status of completion or failure to complete corrective action items. Follow-up activities will continue until corrective actions have been determined complete by the contract manager.