Fiscal Monitoring

Essential Elements for a Successful Monitoring Review
Fiscal Monitoring Stages

Four main stages:
Planning

1. Establish Team Member Responsibilities
2. Review Previous Year Fiscal Monitoring Results
3. Establish Communication Channels with Sub-Grantee
4. Information Gathering
Planning Continued

5. Gain an Understanding of the Sub-Grantee’s Financial Management System

6. Determine Scope of the Review

7. Generate Test Samples

8. Final Planning Meeting and Milestones
Fieldwork

1. Detailed Testing of Transactions
2. Cost allocation Methodologies
3. Equipment Testing
4. Program Income Testing
Fieldwork Continued

5. Review of Bank Reconciliations

6. Review of Policies and Procedures

7. Staff Interviews

8. Exit Conference
Wrap up & Reporting

1. Debriefing Meeting with Management

2. Request additional Documentation as needed

3. Complete Testing

5. Determine Final List of Findings and Recommendations

6. Initial Report of Findings or Draft Report

7. Evaluate Sub-Grantee Management Responses

8. Issue Final Report
Follow up

1. Successful Implementation of Corrective Action Plans

2. Additional Testing or Scope Expansion

3. Enhanced Monitoring

4. Additional Sanctions
Common Issues - General

1. No distinct cost center
2. FSR does not reconcile to G/L
3. Bank reconciliations not timely
4. Admin staff do not keep timesheets or equivalent
5. Program income not reported correctly
6. Program income not used correctly
7. Inadequate monitoring of subcontractors
8. Internal control deficiencies
   a. Missing or outdated policies and procedures
   b. Lack of board oversight
   c. Inadequate segregation of duties
Expenditure Issues

1. Unallowable costs
   a. Advertising,
   b. Interest, penalties, sales tax
   c. Travel
2. Insufficient documentation for amounts billed
3. Prior Period or future costs
4. Costs not properly allocated including use of budgeted percentages or estimates
5. Internal control deficiencies
   a. Missing approvals
   b. Missing proof of payment
Grantee Communication

1. Verbal Communication
   a. Choose words carefully
   b. Cite requirements not opinions
   c. Do not wing it or become assertive

2. Non-Verbal Communication
   a. Equally important to Verbal
   b. Avoid pointing fingers, standing over people, staring, throwing up hands etc.

3. Communication Barriers
   a. Do not use jargon
   b. Establish understanding
Questions / Comments
Thank you

Bernabe.Gamino@dshs.texas.gov 512-776–6937

April.Marek@dshs.texas.gov 512-574-6929

Ann.Duncan@dshs.texas.gov 512-776–6991

Jose.Elizondo@dshs.texas.gov 512-776-6070