North Carolina Department of Health and Human Services

Division of Aging and Adult Services

Plan for Monitoring
Subrecipients

Fiscal Year 2017 - 2018

Section	Table of Contents	Page

Section	Table of Contents	
		Page

Section	Table of Contents	Page

A. Purpose

The purpose of this monitoring plan is to provide the basis for programmatic and fiscal compliance monitoring in response to State and Federal requirements. In addition, this plan is established to meet the requirements with the NC Department of Health and Human Services (DHHS) Policy on subrecipient monitoring. To clearly convey the scope of the compliance monitoring responsibilities of the Division of Aging and Adult Services (DAAS), this plan contains sections addressing monitoring techniques and procedures for specific types of subrecipients and/or fund sources.

B. Background

Early in 1998, the Division acknowledged the 1997 changes and revisions to OMB Uniform Guidance 2 CFR Part 200 (Circular A-133) and to the Single Audit Act. These changes require pass-through entities to monitor the activities of their subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and to determine if performance goals are being achieved. In 1999, the "risk based" approach to monitoring was adopted by the Division which recognized part of the OMB Uniform Guidance 2 CFR Part 200 approach for auditing financial assistance programs. Since that time, the Department of Health and Human Services has taken further steps to strengthen the monitoring role of each Division by issuing, in August 2002, policies and procedures for monitoring programs. Additional changes to the State Single Audit Act were issued in 2013. The single audit requirements changed to reflect the Uniform Guidance under the authority of G.S. 159-34. The Uniform Guidance supersedes and consolidates the OMB Circulars on cost principles (A-21, A-87, A-122), administrative requirements (A-89, A-102, A-122), and audit requirements (A-50, A-133). With these requirements in mind, the Division has implemented this plan as another step toward emphasizing the importance of subrecipient compliance monitoring.

C. Organizational Structure

The DAAS is designated as the state unit on aging to administer services for older adults and family caregivers through federal appropriations from the U.S. Administration on Aging under the Older Americans Act of 1965 and through state appropriations. The Division grants and contracts approximately 94% of these funds to regional Area Agencies on Aging (AAAs) who, in turn, subcontract with local provider agencies to deliver services for older adults throughout the state.

All 16 Area Agencies on Aging in North Carolina are housed in Lead Regional Organizations or Regional Councils of Governments (COGs) and are considered local government entities. Because of the unique administrative structure of aging services, Area Agencies on Aging serve a crucial role in both fiscal and programmatic monitoring. It is the role of the Division of Aging and Adult Services to conduct compliance monitoring with the Area Agencies on Aging for not

only those services that they provide directly but also to determine compliance of the monitoring conducted by the AAAs for their 400+ local subrecipients.

In September 2003, the Adult Services Section of the Division of Social Services was merged with the Division of Aging. This merger further broadened the monitoring responsibility of the Division of Aging and Adult Services. Specifically, the Division became responsible for compliance monitoring and administration of the federal Social Service Block Grant and other specific state appropriations that support services to both adults and families with children, as well as older adults. All 100 county departments of social services (public entities) are subrecipients of part, and in some cases, all of these funds administered by the Adult Services Section of the Division. Local departments of social services are monitored by DAAS staff to ensure programmatic compliance for these services. Fiscal monitoring and risk assessment review guides are provided to state staff through a coordinated effort with the Division of Social Services in an effort to prevent duplication by the Division of Social Services and DAAS.

D. Personnel

As required in the DHHS Monitoring Policy, the DAAS has designated a "Lead Monitor" position to coordinate all monitoring activities. This position is part of the Planning, Budget and Systems Support Section and is responsible for ensuring the Division's monitoring plan is maintained and implemented. In addition, this position is responsible for subrecipient audit reviews and audit finding resolution, financial management monitoring, Compliance Audit Supplement development, and provides training, technical assistance, and consultation to Division staff, the 16 Area Agencies on Aging and their subrecipients in the area of monitoring. The Lead Monitor is the liaison between the Division and DHHS Office the of Internal Auditor and other State agencies. The Lead Monitor acts as a "clearinghouse" for monitoring reports and corrective actions. Contact:

> Lead Monitor
> Division of Aging and Adult Services
> 693 Palmer Drive
> Raleigh, NC
> (919)855-4300

The Lead Monitor will coordinate efforts with the DHHS Monitoring Coordinator and provide training for the Division of Aging and Adult Services and Area Agency on Aging staff as needed or requested.

E. Federal and State Requirements

The following federal and state requirements provide direction to the Division in the areas of programmatic and fiscal compliance monitoring.

1. Federal Requirements:
    a. The Older Americans Act, as amended, Section 307(4)
    b. Office of Management and Budget (OMB) Uniform Guidance 2 CFR part 200

c. Single Audit Implementation Act

2. State Requirements:
    a. North Carolina General Statute 143C-6-22 and 143C-6-23.
    b. DHHS Policies and Procedures, Monitoring of Programs, 08/01/02
    c. Home and Community Block Grant Manual
    d. AAA Policies and Procedures Manual, Section 308

F. DAAS Monitoring Web Site

The Division of Aging and Adult Services maintains a monitoring website contained within the Division's home web page. This page includes all policies and procedures, monitoring instruments, audit supplements and other current information regarding monitoring for use by the DAAS staff, subrecipients and other interested agencies. This website can be found at: http://www.ncdhhs.gov/divisions/daas/monitoring.

II.   HCCBG and Non-HCCBG Based Services

A. Purpose

The purpose of this section of the DAAS Plan for Monitoring Subrecipients is to establish the monitoring process for several federal and state fund sources which support services to older adults in North Carolina. In 1992, the General Assembly created the "Home and Community Care Block Grant" (HCCBG) which combined state and certain federal funding into one block grant. These fund sources include: Older Americans Act Title III-B, III-C, SSBG allocations to the State In-Home Fund, and state appropriations to create the HCCBG. Other federal and state fund sources also support services for older adults but are not included in the Block Grant. All HCCBG and non-HCCBG funding (listed below) is allocated through the 16 Area Agencies on Aging to each county. For those services funded under the HCCBG, grant award decisions are made annually through a grass-roots local planning committee and approved by the county commissioners. All other funds are granted by the AAA through a request for proposal or competitive bid process to support services for older adults in each county.

B. HCCBG Funded Programs

Program Name	CFDA/Compliance Audit Supplement
Supportive Services	93.044 Special Programs for the Aging – Title III-B Grants for Supportive Services and Senior Centers
Nutrition Services	93.045 Special Programs for the Aging – Title III-C Nutrition Services
Nutrition Services Incentives Program	93.053 Nutrition Services Incentives Program
State In-Home Fund	93.667-3 Social Services Block Grant State In-Home Services Fund

C. Non-HCCBG Funded Programs

Program Name	CFDA/Compliance Audit Supplement
Senior Community Service Employment Program	17.235 Senior Community Service Employment Program (Title V)
Prevention of Elder Abuse Neglect and Exploitation	93.041 Special Programs for the Aging – Title VII – Chapter 3 Prevention of Elder Abuse Neglect and Exploitation
Long Term Care Ombudsman	93.042 Special Programs for the Aging – Title VII – Chapter 2 Long Term Ombudsman Services for Older Adults
Disease Prevention/Health Promotion	93.043 Special Programs for the Aging – Title III-D Disease Prevention and Health Promotion Services
Family Caregiver Support	93.052 Family Caregiver Support – Title III-E
Senior Center General Purpose	SF-135 General Purpose Funding for Senior Centers

D. Subrecipients

The Division of Aging and Adult Services has two levels of monitoring responsibility for subrecipients providing Home and Community Based Services to older adults. The first level of subrecipients are 16 designated Area Agencies on Aging (AAAs). AAAs in North Carolina are sub-units of the sixteen Lead Regional Councils (LRO) or Regional Councils of Government (see attached) and are categorized as local government entities receiving federal, state and local support. Area Agencies were established by the Older Americans Act to provide essential functions such as program planning, monitoring and funds administration and greatly contribute to the support of local aging programs. AAAs are one of the primary subrecipients of the Division of Aging and Adult Services receiving over $60 million in funding annually. Some of the 16 AAAs provide services directly to older adults, however the majority of their funding is utilized to contract for the provision of specified services through 400+ public, non-profit, and for-profit organizations.

The Division of Aging and Adult Services has two primary focuses with regard to its monitoring of AAAs:

1. AAA Administration and Direct Community Based Service: Each AAA receives planning and administrative funds for operation as a designated regional Area Agency on Aging with specific mandated responsibility under the Older Americans Act. The monitoring by the Division of Aging and Adult Services includes a review and determination of compliance with applicable laws, policies and procedures. In addition, specific programmatic goals and initiatives may be reviewed to provide technical assistance or attain information on best practices. Some Area Agencies on Aging provide direct community-based services for the older adult population.

2. AAA Subrecipients: Community Based Services: The majority of funding received by the AAAs is utilized to subcontract with 400+ subrecipients annually. Monitoring of these subrecipients is a significant responsibility of each AAA, therefore the Division of

Aging and Adult Services reviews this monitoring for compliance. Each AAA is required to submit a four-year Area Plan to the Division that includes an exhibit detailing their planned monitoring activity of their subrecipients. This exhibit is updated annually to reflect the monitoring planned for their subrecipients. Each on-site visit by the Division includes verification that monitoring is conducted in accordance with Section 308 of the AAA Policies and Procedures Manual found at:
http://www.ncdhhs.gov/document/section-308-aaa-policies-and-procedures-manual.

E. Monitoring Staff

The staff that monitor AAA Administration and community based services includes positions assigned as resource personnel to provide technical assistance and training in specific service delivery or programmatic areas. Throughout the year, each staff member serves as a resource person to AAAs and to local providers for their area of responsibility. Through this interaction, these staff become extremely familiar with the strengths and weaknesses of each subrecipient as well as having knowledge and experience in the specific service area.

F. Risk Assessment of Subrecipients

Programmatic and fiscal monitoring each year begins with each area agency completing the AAA Self-Assessment Guide. The intent of the guide is to set a limited scope for the overall monitoring effort, as well as provide a uniform base for determining subrecipient (AAA) risk. The concept of the Self-Assessment Guide is a cornerstone of this section of the monitoring plan, however, the actual indicators found in the guide change from year to year. Changing the indicators allows a review of different program goals and operating procedures of these subrecipients. It also helps to address revised policies and procedures. Annually, key Division program staff revise the Self-Assessment Guide for their assigned areas of responsibility focusing on different aspects of service delivery and administration of services. The Service Operation section includes all community-based services (direct and subcontracted) funded through the Home and Community Care Block Grant for older adults and the Family Caregiver Support Program. The current Self-Assessment Guide can be found on the DAAS web site and through this process, each self-assessment is reviewed by Division of Aging and Adult Services staff to determine the level of risk for each of the four sections in the Self-Assessment Guide. The four sections in the Self-Assessment Guide are:

1. Elder Rights: Includes the Long Term Care Ombudsman Program, Elder Abuse Prevention, Senior Community Services Employment Program (SCSEP/Title V) and Legal Assistance (Title III-B).

2. Planning: Includes AAA planning/administration

3. Service Operation: Includes all community-based services (direct and subcontracted) funded through the Home and Community Care Block Grant for older adults and Family Caregiver Support.

4. Financial Management: Includes subrecipient fiscal monitoring, audit reviews and financial management of aging programs.

During January of each year, each section completes the review and assigns a level of risk for each fund source administered by the AAA. Based on the level of risk, appropriate staff are assigned to conduct on-site monitoring visits beginning in February and ending in May. Division staff, as appropriate, may make an on-site visit. In some cases, higher risk subrecipients receive visits lasting two or more days with multiple Division staff participating. Regardless of the level of risk, each AAA is visited by at least one DAAS staff member annually. The following guidelines are used to determine the most appropriate monitoring approach:

Chart A

Level of Risk	Indicators	Monitoring Procedure
Low Risk Subrecipients	Examples of conditions that would categorize a low risk agency would be no unresolved audit findings or corrective action plans, little or no turnover in staff, and no unfavorable variances or unresolved questions from the AAA Self-Assessment document.	Lowest risk subrecipients may receive on-going desk reviews and may receive a visit for verifying and review of subrecipient monitoring reports and selected documentation.
Moderate Risk Subrecipients	Examples of conditions that would categorize a moderate risk agency would be corrective action plans or audit findings that need additional follow-up or verification, key staff in need of training in specific areas, unfavorable variances on routine reports or unresolved questions from the AAA Self-Assessment document.	Following a desk review of the self-assessment document and performance reports**, moderate risk subrecipients may receive an on-site visit to verify or follow-up on specific points not resolved from the desk review of the self-assessment, to verify corrective action and/or to review areas of prior non-compliance.
High Risk Subrecipients	High Risk indicators include unresolved audit findings, unresolved corrective action plans, new/untrained staff in key positions, complaints from clients, specifically-identified management weaknesses and/or unfavorable variances on routine reports or substantial unresolved questions from the AAA Self-Assessment document.	Following a desk review of the self-assessment and performance reports**, those agencies determined to be high risk receive an in-depth programmatic and/or financial monitoring visit. Depending on the findings at the visit, a follow-up monitoring visit may be required.
** Performance Reports include: past assessment reports, reimbursement requests, the annual audit, and other correspondence and reports submitted to the Division of Aging and Adult Services.		

G. Monitoring Tools

The Division of Aging and Adult Services provides prescriptive monitoring instruments for all community-based services. These programmatic instruments can be found on the DAAS web site at http://www.ncdhhs.gov/divisions/daas/monitoring. These tools must be utilized by Area Agencies on Aging and the Division for monitoring local and regional subrecipients providing community-based programs for older adults.

All of the relevant 12 audit compliance supplement criteria are addressed through programmatic and fiscal monitoring. Other criteria are met through other verifiable documents including reimbursement reports, performance reports, contracts, and assurances. Complementary "Compliance Criteria Tools" are used to document and affirm compliance with the relevant 12 compliance requirements and the conflict of interest policy requirement by funding source. These tools are to be completed, by funding source, once programmatic monitoring is completed.

H. Monitoring Process

Programmatic Monitoring
Annually, there are three primary purposes for conducting on-site monitoring of the Area Agencies on Aging:

1. To complete verification of compliance with the mandated administrative and service delivery responsibilities set forth under the Older Americans Act as well as any state policies and applicable service standards. Often this review includes further investigation of items discussed in the AAA Self-Assessment Guide and/or audit findings.

2. To conduct on-site reviews and verification of compliance monitoring conducted by the AAA with their local subrecipients who provide services to older adults as well as determine if the AAA has fulfilled the monitoring requirements for each subrecipient. Each AAA is required to submit Area Plan Exhibit 14 which details their plans for monitoring subrecipients and the Exhibit 14A a listing of subcontractors. Annually, as part of the AAA Self-Assessment Guide, the AAA assigns a level of risk for each subrecipient, which includes risk associated with the subcontractor's performance evaluation. Based on this risk determination, the AAA carries out its monitoring plan accordingly. The greater the risk, the more frequent monitoring occurs. The AAA Policies and Procedures Manual, Section 308, states that at a minimum, reviews will be conducted "With the exception of Housing and Home Improvement, programmatic monitoring will be conducted on all aging services provided by community service providers as needed but at least once every three years. Programmatic monitoring will be performed for Housing and Home Improvement annually." For In-Home Aide services, a comprehensive programmatic and client record review must be conducted every three (3) years per DAAS Administrative Letter 09-19. In addition, all contracts for subrecipients will include a request for documentation of the In-Home Aide's supervision, competency and training, to be provided to the AAA on an annual basis. This will apply to the continuation of contracts and/or for historical documentation of contracts if terminated.

In addition, the policy states, "Unit verifications for all aging services be performed as needed but at least every other year for all aging services provided by each community service provider". Unit verifications for In-Home Aide services will be conducted at a minimum of once every three years per Administrative Letter 09-19. This process will be conducted on-site. The area agency will develop an audit trail from the names/units reported on the Units of Verification Report (ZGA-USV) 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/unit sampled. In addition to a review of basic source documentation, the Area Agency on Aging will review client records to verify the eligibility of the clients in the sample to receive services.

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

Total # Clients Served	Base Sample Size
1 – 10 clients	All clients served
11 – 100 clients	No less than 10 of the clients served
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

3. To determine if any areas of non-compliance cited for the AAA by DAAS in prior monitoring visits have been corrected appropriately and completed in accordance with the approved corrective action plan submitted to the Division.

Fiscal Monitoring
Due to the amount of funding received, each of the 16 AAAs, as part of Lead Regional Organizations (or Councils of Governments), are required to receive a Single Audit annually. The Division (as well as the DHHS Office of Internal Audit) reviews these audits annually and conducts follow-up on any findings cited.

In addition, the Single Audit Act and the changes in the Uniform Guidance 2 CFR Part 200 (OMB Circular A133) placed Area Agencies on Aging, as a pass-through agency of federal/state funds, in a fiscal monitoring role. In compliance with these mandates, AAAs must complete an Internal Control Questionnaire for all non-governmental subrecipients that are not required to complete a Single Audit. The AAAs, however, have the option of waiving the requirement that public entities complete the Internal Control Questionnaire since internal control is reviewed in the Single Audit process. The changes in the Single Audit Act require agencies expending $750,000 or more in federal funding to complete the Single Audit process. Throughout North Carolina, over 100 local agencies are not required to have a Single Audit, but must receive fiscal monitoring from one of the 16 AAAs.

I. Monitoring Reports and Corrective Action

Monitoring reports from the Division of Aging and Adult Services to AAA subrecipients and from the *Area Agency on Aging to their subrecipients must be submitted in writing within 30 days of the site visit with exception of unusual circumstances outside DAAS control.* Each report contains the following information:

- Name and Address of Subrecipient monitored,
- Program names and funding sources monitored,
- Name and title of monitoring staff,
- A statement of the review of the self-assessment,
- 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 with the <u>applicable</u> 12 Audit Supplement Criteria by funding source (CFDA #) which are:
  1. Activities Allowed or Unallowed
  2. Allowable Costs/Cost Principles
  3. Cash Management: (Not applicable to DAAS)
  4. Eligibility
  5. Equipment and Real Property Management
  6. Matching, Level of Effort, Earmarking
  7. Period of Performance
  8. Procurement and Suspension and Debarment
  9. Program Income
  10. Reporting
  11. Subrecipient Monitoring
  12. 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, and
- The date a written corrective action is to be received by the Division or the AAA (normally within 30 days of the issuance of the assessment report). If no non-compliance is cited, the assessment is closed with no further response necessary by the subrecipient.

All subrecipients are generally given 30 days to submit a corrective action plan in writing for approval by the monitor. Upon approval of a corrective action plan, a close out letter of approval is sent to the subrecipient. Periodically, a follow-up on-site visit is necessary to verify that severe non-compliance has been corrected. Severe non-compliance is generally defined as areas where the health, wellness or safety of older adult clients is at risk.

If a Program and/or Fiscal Monitor suspects internal fraud it will be reported to the Division Director. The Division will consult with the DHHS Office of the Internal Auditor. In the event the Internal Auditor agrees that the Division's suspicions are well founded, the DHHS Office of the Internal Auditor will coordinate an audit/investigation as deemed appropriate with the Office

of State Auditor, internal staff, Federal authority, local law enforcement authorities, and/or the SBI

J. Maintenance of Monitoring Documentation

All documentation related to each AAA is maintained by fiscal year, at the Division of Aging and Adult Services, Taylor Hall, 693 Palmer Drive, Raleigh, NC. This documentation consists of the following information:
- The current Area Plan and signed assurances
- The most recent version of the AAA Exhibit 14 Monitoring Plan and Exhibit 14A. List of subcontractors
- AAA Self-Assessment
- Budget/Grant Agreement
- Monitoring Reports
- Corrective Action Plans
- Waivers for Direct Service
- Audits
- Monitoring working papers
- Other correspondence

Each Area Agency on Aging maintains copies of all contracts, monitoring documentation, reports, source documents, internal control questionnaires, and audits for each local subrecipient.

III. SSBG Eligibility, Services and Contracts Provided by SSBG Funds

A. Purpose

The purpose of this plan is to establish a formal monitoring process for several federal and state funded programs for which the Adult Services Section of DAAS is responsible. The plan will help to ensure the integrity of these programs and that subrecipients utilizing these funding sources are in compliance with applicable laws and regulations and stated results and outcomes.

B. Programs/Funds

The Social Services Block Grant (SSBG) fund is used to provide services for both adults and families with children. The Adult Services Section is responsible for the monitoring of services provided to adults with these funds. The following fund sources and programs are monitored as part of this responsibility:

Program Name	CFDA/Compliance Audit Supplement
Social Services Block Grant (SSBG)	93.667 Social Services Block Grant

C. **Subrecipients**

All 100 county departments of social services (governmental agencies) are subrecipients of SSBG. There are no financial assistance contracts to be monitored by the Adult Services Section.

Corporations providing guardianship for adults in contract with the DAAS are subrecipients of SSBG funding.

D. Monitoring Staff

Responsibility for Social Services Block Grant monitoring at County Departments of Social Services (DSS) is assigned to the Adult Services Section's eight (8) Adult Program Representatives (APR). Each APR is assigned specific county DSSs

In addition, the staff provide ongoing consultation, technical assistance, and oversight of services provided at local DSSs. Guardianship Corporation monitoring is completed by central office guardianship staff.

E. Risk Assessment of Subrecipients

Subrecipients are categorized as low, medium, or high risk based on results from the data collected from on-site monitoring visits; findings from the single county audit; findings and follow-up from any previous deficiencies and/or corrective action; size of the caseload (county level for SSBG); complexity of the program; prior experience with the subrecipient; past experience with paybacks; and other relevant factors identified by the monitoring staff. In addition, through a cooperative agreement with the Division of Social Services, Local Business Liaisons (LBLs) evaluate the "Subrecipient Self-Assessment of Internal Controls and Risks" (completed annually by county departments of social services) which is the basis for completion of the companion "Risk Evaluation Matrix" by the APRs in the Adult Services Section.

Based on the level of risk, a monitoring schedule will be developed. Comprehensive and more frequent monitoring of subrecipients determined to be high-risk will occur while they remain high-risk. Annual on-site monitoring visits, desk reviews, corrective action, increasing the frequency of monitoring, and expanding the size of the sample to be reviewed are options utilized to conduct more comprehensive monitoring for high-risk subrecipients. Low and medium risk subrecipients will be monitored at least once every four years according to an established schedule.

Guardianship Corporations contracting with DAAS are monitored annually as per the scope of work.

F. Monitoring Tools

All the standardized monitoring tools are based on applicable laws and regulations that govern each of the programs/funds being monitored. The tools completed by the Section's staff in conjunction with the county departments of social services' completion of the self-assessment of

internal fiscal controls address relevant compliance requirements identified in the compliance supplements for each funding source. The standardized tools will be used to validate the Section's monitoring assumption about subrecipients.

G. Monitoring Schedule

Management and staff of the Adult Services Section will determine the schedule for monitoring subrecipients, taking into consideration the outcome of the risk assessment for each subrecipient. DSS subrecipients will be notified prior to or early in the beginning of each fiscal year regarding the monitoring schedule for the SSBG.

Guardianship corporations with be notified prior to the month of monitoring.

DSS on-site monitoring, which began in May 2003, will be conducted over a multi-year time period for all subrecipients of these funding sources. Currently, all corporations are monitored each year.

H. Monitoring Sample

County DSS subrecipients are divided into three levels based on the size of the agency for purposes of SSBG monitoring. These are standardized levels across the Division of Social Services, which have been in place for a number of years, and are used for monitoring and reporting purposes. The county levels for the 100 SSBG subrecipients are included with this monitoring plan.

County DSS subrecipients provide many of the allowable services under the SSBG to adults. A random sample of cases will be selected from the Division of Social Services' Services Information System (SIS) from the previous months prior to the month in which the monitoring occurs. The sample will include adult services cases funded with the SSBG.

The SSBG sample is based on the size of the subrecipient (county levels I, II, III), previous performance, complexity of the program, and other factors identified by staff in the Adult Services Section. The sample size is as follows:

Level I Counties	Level II Counties	Level III Counties
10	15	20

In some instances, for small counties with very small caseloads, the sample size may have to be adjusted. In the event, there are fewer records to monitor than the sample size required, all available records will be monitored.

The sample for programmatic monitoring of Adult Protective Services, Guardianship and SA in-home provided by county DSSs is as follows:

Level I Counties	Level II Counties	Level III Counties
4	5	7

I. **Monitoring Process**

- SSBG and Programmatic- DSS

    Designated staff in the Adult Services Section will obtain the appropriate sample of cases from the Division of Social Services SIS for each subrecipient scheduled for monitoring during the fiscal year. Subrecipients will be notified of the sample of cases selected for review prior to the scheduled monitoring dates. This monitoring will occur on-site at the county department of social services to review the records identified in the sample. Prior to conducting the on-site visit, staff assigned to conduct monitoring will review the sub recipient's findings from the single county audit, findings and follow-up from any previous deficiencies and/or corrective action plans, findings from any monitoring conducted by the Division of Social Services' LBLs, and any other relevant reports or information.

    Records will be reviewed using the standardized tools and instructions for the monitoring described and included in this plan. Once the on-site monitoring is completed, significant findings will be summarized and communicated in a written report to the county department of social services. The report will identify any deficiencies requiring corrective action by the county department of social services.

    Staff conducting the monitoring will assist the county department of social services to develop any required corrective action plan. Follow-up on the corrective action plan to determine that all deficiencies have been addressed is the responsibility of the field-based consultant assigned to the county department of social services for ongoing consultation, technical assistance, and oversight of services provided with the SSBG. Depending on the nature of the corrective action required, the LBL with the Division of Social Services will assist with follow-up.

- SSBG - Corporations (Guardianship contract)

    Subrecipients will be notified of the sample of records selected for review prior to the scheduled monitoring dates. This monitoring is primarily conducted onsite at the corporation headquarters to review the programmatic records identified in the sample. Prior to conducting onsite corporation monitoring, the staff will review any findings and follow up from previous deficiencies and/or corrective action plans from previous state fiscal year. Records will be reviewed using the standardized Guardianship Program Compliance monitoring tool and Contractor Administrative Requirements.

J. **Maintenance of Monitoring Documentation**

Monitoring tools, relevant verification information, compliance findings, corrective action plans, follow-up and related correspondence for programs identified in this plan are maintained in the Division's Adult Services Section located at Taylor Hall, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

IV. Special Assistance Program

A. Purpose

The purpose of this document is to outline the monitoring process for State/County Special Assistance (SA). SA is a Program providing financial assistance to eligible individuals. The Division of Aging and Adult Services (DAAS) is responsible for the State level administration of the SA Program. Monitoring helps to ensure that the subrecipients, the 100 departments of social services (DSS), participating in the program are administering the program in compliance with applicable laws and regulations.

B. Services/Funds to Be Monitored

The SA Program has two distinct service categories:

1. Residential/facility care recipients. This service is an entitlement and is a mandated program in all 100 counties.

2. SA-In-Home (SA-IH).

The SA Program has two distinct target population categories:

1. SA for the Aged (SAA), which includes recipients age 65 and older;

2. SA for the Disabled (SAD) which includes individuals under age 65 who are disabled according to the standards set by the Social Security Administration. Individuals under the age of 18 must meet the criteria for legal blindness.

All State agencies must have an audit supplement to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements. This document contains the foundation of SA policy and procedures on eligibility and budgeting found in the SA Policy Manuals. It also refers the auditors to seek further details in the SA Policy Manual used by subrecipients to determine eligibility for the SA Program. The audit supplement for SA is listed under the Catalog of Federal Domestic Assistance (CFDA)/Compliance Audit Compliance Supplement, Section C and is named DHHS-30 State/County Special Assistance. The SA Monitoring process evaluates the counties compliance with the criteria found in the Compliance Supplement. Appendix 4is the chart related to the DHHS-30 State/County Special Assistance Compliance Supplement that is completed and included in the SA Program monitoring report.

DAAS maintains the following manuals required for use by subrecipients. The SA-IH Manual (#2) often references the manual for SA in facilities (#1):

1. State/County Special Assistance Manual (SA in facilities), and
2. State/County Special Assistance In-Home Program Manual (SA-IH)

3. The Integrated Eligibility Manual (IEM) which will ultimately house all the eligibility policy for SA. The IEM is found at https://economicbenefits.nc.gov

C. Subrecipients to Be Monitored

The 100 county DSSs, public governmental agencies, administer the SA Program at the county level. The DSS staff accepts and processes applications and maintains the cases using the policy manuals for the Program. The 100 DSSs are the subrecipients requiring monitoring.

D. Monitoring Staff

SA Program Representatives (SAPR), who are employees of DAAS, conduct the monitoring for the SA Program for client eligibility. The APRs monitor SA-IH for compliance with SA-IH case management functions.

E. Risk Assessment for Subrecipients

Risk is assessed annually and is determined by the examination of several areas including:

1. The results of the most recent monitoring report;

2. Reviewing and evaluating the DSS's most recent self-assessment reviews;

3. Reviewing Single County Audit reports to evaluate compliance with applicable laws and regulations for the SA Program;

4. Information obtained by DAAS staff through consultation, site visits, review of public reports from the Client Services Data Warehouse (CSDW) or North Carolina Exporter (NCXPTR).

See Appendix 2 for the grid used to evaluate county risk.

County DSSs, after assessment and evaluation of the above risk factors, will be assigned a risk level of low, medium, or high.

1. Low-risk subrecipients will be monitored every three years.

2. Medium-risk subrecipients will be monitored at least once every three years, more often as deemed necessary by the Section Chief and the SA Program Administrator.

3. High-risk subrecipients will be more closely monitored until the risk level decreases. Monitoring of high-risk DSSs will be conducted onsite. Additional requirements may include ongoing corrective action and more comprehensive monitoring (e.g., increasing the frequency of monitoring, expanding the sample size.)

F. Target Monitoring

Monitoring will be targeted to specific areas of eligibility. These areas are identified and evaluated for targeted monitoring by reviewing past monitoring results, requests for consultation and recent policy changes. These targeted eligibility areas include:

- Resources
- Transfer of resources
- Income
- Budgeting
- Application procedures
- Verification of residence in licensed facility
- Citizenship verification
- Denials

G. Monitoring Tools

A standardized monitoring tool is used to monitor both service areas of the SA Program: SA facility cases and SA In-Home (SA/IH) cases. The tool is revised based on the targeted area of eligibility. The elements in the monitoring tool are based on applicable laws and regulations that govern the program being monitored. The monitoring tool will be attached to the confirmation letter of appointment sent to the DSS.

H. Monitoring Schedule

SAPRs determine the monitoring schedule based on the county's risk assessment. Counties will be monitored at least once every three years. County DSS agencies will be notified at least 30 days prior to their monitoring.

I. Sample Size

DSSs are divided into three levels based on county population. These standardized levels have been in place for a number of years and are used by other divisions in the DHHS for monitoring and reporting purposes. County levels are reviewed annually for changes in levels. The county levels for the 100 subrecipients are included with this monitoring plan. (See Appendix 1)

A random sample of cases is selected from the DHHS's Eligibility System from the 2nd month prior to the month in which the monitoring occurs.

Based on the county levels, the sample size is as follows:

Level I Counties	Level II Counties	Level III Counties
20	25	30

The SA/IH sample size is determined by the number of SA/IH allocated slots for the sample month. For counties with fewer than 30 slots, the SA/IH sample size is two. For counties with

31- 60, the SA/IH sample size is four and for counties with more than 61 slots, the sample size is six. These cases are included in the total number of cases in the sample size.

For example, the sample size for a Level I county with 20 allocated SA/IH slots will be 18 SA facility cases and two SA-IH cases to total 20 cases.

J. Monitoring Process

1. Designated DAAS staff obtain the appropriate sample of cases from the CSDW for each subrecipient (county DSS) scheduled for monitoring during the fiscal year. Subrecipients will be notified of the sample cases selected for review prior to the scheduled monitoring date.

2. The monitoring occurs as either:

    a. Onsite at the county DSS. If monitored onsite, county will need to provide the complete record to the SAPR. The DSS should also be prepared to allow SAPR access to the county's document management system that assists in SA eligibility determination and/or case record storage.

       OR

    b. In the DAAS office. DSS sends the requested records to the assigned DAAS staff. Records are reviewed in the SAPR's office. DAAS will provide the DSS with a prepaid number to produce a shipping label and link to packaging instructions.

        1. DSS will send records in paper form via UPS to the assigned SAPR.

           OR

        2. When the DSS has paperless records, records will be sent in a Compact Disc (CD). The DSS copies case file documents onto the CD in the order and format instructed by DAAS and mails the CD to the assigned SAPR.

3. SAPR will also review information available in the DHHS eligibility system, North Carolina Families Accessing Services through Technology (NC FAST) for accuracy.

4. Information obtained from these sources will be used to complete the standardized monitoring tool for the SA Program.

5. At the conclusion of the monitoring, the SAPR will conduct an exit conference with the DSS staff. It is suggested that the supervisory staff including the Director participate. The exit conference tool is included in Appendix 3.

6. Within 30 days of the completion of the exit conference, the findings are summarized and communicated in a written report to the county DSS director. The report identifies any deficiencies requiring corrective action by the county DSS. The report includes the

completion of the relevant compliance supplement criteria assessed. Corrective action includes, but is not limited to chargebacks to the county.
Corrective action plans will be required when the total error rate for the combined elements of all cases equals or exceeds 30% and/or when the overall error rate for incorrect payments cases equals or exceeds 30%.

7. The SAPRs assist the county DSS in developing any required corrective action plan as needed. Follow-up on corrective action plans to determine that all deficiencies have been addressed is the responsibility of the SAPR.

8. Monitoring outcomes will be entered into the DHHS Open Window or other DHHS database as required.

9. The Compliance Supplement, DHHS-30 State/County Special Assistance, spells out the specific compliance requirements that will be monitored. (See Appendix 4) is the chart that is completed and included in the monitoring report. This chart indicates the Compliance Supplement Criteria that was assessed and the results.

K. Chargebacks and Underpayments

The county is responsible for paying underpayments to recipients when underpayments were identified as resulting from the county's error in applying program regulations.

The county is responsible for paying the state share for SA overpayments identified and resulting from the county's error in applying program regulations. Chargebacks for the State portion of the SA payment will begin no earlier than the most recent redetermination date prior to the sample month. Chargebacks will be required when the error affects case eligibility or incorrect payment has been issued. The county must complete the DSS-8201 to report the overpayment and chargeback. The county must also evaluate for Medicaid overpayments as spelled out in Medicaid policy.

In cases where it is discovered during the monitoring process that there is an issue affecting eligibility not disclosed or reported by the applicant/recipient, the county will refer the case to their program integrity or fraud investigative unit.

L. Maintenance of Monitoring Documentation

Monitoring tools, relevant verification information, compliance findings, corrective action plans, follow-up and related correspondence for programs identified in this plan are maintained in the Division of Aging and Adult Services, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

| V. | Medicaid Administrative Claiming (MAC) |

A. Purpose

The purpose of this compliance monitoring plan (henceforth as the plan) is to establish monitoring objectives and processes for Medicaid Administrative Claiming for Adults and Children (MAC). This monitoring plan (monitoring henceforth is synonymous with auditing) will ensure that utilization of this funding source results in compliance with applicable federal and state laws and regulations. The plan will help to ensure the integrity of claiming allowable activities that support a Medicaid beneficiary and a non-Medicaid beneficiary to access and receive Medicaid covered services under the Medicaid State Plan Amendment (SPA). The plan will also provide baseline data to determine if MAC is applied and evaluated appropriately. The results will be derived cumulatively using the monitoring tool. The cumulative results gathered from all counties monitored may show areas of performance that may require additional consultation and training.

Program

Program Name	CFDA/Compliance Audit Supplement
Medicaid Administrative Claiming	**93.645**

B. About Medicaid Administrative Claiming

Medicaid Administrative Claiming provides reimbursement to County Departments of Social Services (CDSS) for administrative activities that directly support efforts to identify and enroll eligible clients into Medicaid, to refer, coordinate and monitor services covered by Medicaid, to remove barriers to accessing Medicaid services and to reduce gaps in Medicaid service.

Medicaid covered services are those Medicaid services in North Carolina's Medicaid State Plan. If a CDSS assists an individual to enroll in Medicaid, or obtain a Medicaid service it is likely these activities would be reimbursable according to federal MAC guidelines.

Medicaid administrative costs are allowed as claimable under Title XIX of the Social Security Act. Title XIX authorizes federal reimbursement to states for quarterly expenditures for medical assistance under the approved Medicaid State Plan, and for expenditures necessary for administration of the state plan. This joint federal-state financing of expenditures is described in section 1903(a) of the Social Security Act and sets forth the rates of federal financing for different types of expenditures. Furthermore, Title 42 CFR Part provides the most detailed compendium on Medicaid administrative activities as allowed through Title XIX.

Medicaid Administrative Claiming is reimbursable Medicaid administrative activities performed by CDSS. It is used for both adults and children. The Division of Aging and Adult Services (DAAS) and Division of Social Services (DSS) are responsible for carrying out monitoring of MAC.

Approved MAC reimbursable activities are:

- Arranging for Transportation to Access Medical Services
- Facilitating Medicaid Program Eligibility Determination
- Medicaid Outreach and Public Awareness
- Referral, Coordination, and Monitoring of Medicaid Services

C. Monitoring Staff

Staff of DMA, DAAS and DSS are responsible for monitoring MAC. DAAS and DSS are responsible for management and oversight of all aspects of MAC and monitor CDSS adherence to federal MAC guidelines. DMA establishes and updates procedures for the administration and operation of MAC.

Performance measures reported semiannually as described in the MAC Intra-Departmental Memorandum of Agreement (IMOA) are:

1. The number and names of counties claiming MAC;

2. The number and names of counties monitored during the previous period;

3. Total number of claims for each MAC code reviewed per county during the reporting period, and the percent of claims found in compliance

4. Number and percent of claims that were billed (as described in measure #3) to non-reimbursable activities necessitating a payment adjustment referral (PAR).

5. Number of counties with monitoring errors that required a corrective action plan;

6. Number and percent of counties with a completed corrective action plan remedying all corrective actions from the previous reporting period (if applicable);

D. Monitoring Tools

MAC monitoring is responsible for maximizing compliance with federal statutes governing utilization, documentation and financial reporting of MAC activities. In using the monitoring tool, DMA through its partners, monitors activities under five (5) separate areas including:

1. Required documents to claim MAC activities;

2. Requirements for Referral, Coordination and Monitoring (SIS Code 340)

3. Requirements for Facilitating an Application for the Medicaid Program (SIS Code 341)

4. Requirements for Outreach for Medicaid Services (SIS Code 342)

5. Requirements for Arranging Transportation Services for Clients to Access Medicaid Services (SIS Code 343)

The MAC monitoring tool and instructions are included with this compliance monitoring plan.

E. Monitoring Schedule

Desk reviews and on-site monitoring of MAC activities began in State Fiscal Year 2015 (SFY15).

Desk reviews and on-site monitoring are conducted in accordance to the monitoring schedule established by DAAS and DSS. Each county will be provided and presented with an On-site Monitoring Notification letter at least 30 days prior to an audit review. According to the established monitoring schedules, DSS will monitor 33-34 counties each SFY and DAAS will monitor the number of counties specified in the monitoring schedule for each SFY. Access to the respective plans can be located through these links:

DAAS: Division of Aging and Adult Services Monitoring Policy

DSS: https://www2.ncdhhs.gov/dss/Monitoring/index.htm

F. Monitoring Sample

Monitoring staff of Adult Services and Family Support/Child Welfare Services will monitor a representative sample of claimed MAC activities. The claims to be reviewed are selected using a simple random sample method. Each CDSS is required to achieve a minimum ninety-five percent (95%) success rate based on the sample of claims monitored. Any CDSS with an error rate below this standard value is subject to corrective action. In the event there are fewer claims to be monitored than the sample size, all available claims will be monitored.

Important Note: The success rate based on the sample of claims monitored is irrespective of a CDSS financial liability of payment adjustments for disallowed claims. All non-reimbursable activities discovered during an audit are subject to repayment in accordance to MAC guidelines.

G. Monitoring Process

Claims will be reviewed using the standardized MAC monitoring tool. CDSS will be notified of the sample of claims selected for review prior to the scheduled monitoring dates. Monitoring will occur by desk review or on-site at the county department of social services to review the documentation for the claims identified in the sample.

H. Reporting Findings and Follow-up

Once the desk review or on-site monitoring is completed, the results, as determined using the MAC Compliance Monitoring Tool, will be summarized and communicated to the county during the exit conference. An audit summary letter will be sent to the counties according to the respective monitoring plans to identify their success rate and any areas indicating a need for corrective action.

Staff conducting the monitoring will compile the findings and provide the findings to the CDSS to develop a corrective action plan, if needed, and respective Division staffs will arrange additional training or technical assistance to address specific problems. Adult and Children's Programs Representatives (APRs and CPRs), assigned to CDSS will follow up on the plan to ensure all areas needing remediation have been addressed and completed.

Aggregate results of the monitoring will be reported to DMA on an ongoing basis. The results will represent problems identified and areas where additional training and consultation are required. The results will establish a baseline to assist in determining level of risk due to inappropriate utilization of MAC.

I.   Ongoing Monitoring of MAC

On-going evaluation of the sample size will be addressed on a quarterly basis as outlined in the MAC Intra-Departmental Memorandum of Agreement.

J. Maintenance of Monitoring Documentation

Monitoring tools, written reports and related correspondence for MAC monitoring will be maintained by DMA, DAAS and DSS according to record retention schedules.

VI.   State Adult Day Care Fund – Social Services Block Grant

A. Purpose

The purpose of this section of the DAAS Plan for Monitoring Subrecipients is to define the monitoring and certification process defined for the State Adult Day Care Fund (SSBG). North Carolina General Statute 143-B-153 prescribes this responsibility for this fund. The programs and fund sources that are to be monitored as part of this plan are listed below.

B. Programs/Funds

The following fund source is monitored as part of the State Adult Day Care Fund (SSBG):

Program Name	CFDA/Compliance Audit Supplement
State Adult Day Care Fund – SSBG	93.667-4 Social Services Block Grant State Adult Day Care Fund

C. Subrecipients

The subrecipients of the State Adult Day Care Fund are the 100 county departments of social services (local governmental agencies). Each DSS enters a vendor agreement with certified Adult Day/Adult Day Health providers to provide services to older adults and their caregivers. Attached is a list of the county DSS agencies.

D. Monitoring Staff

Two (2) full-time Adult Day Care Specialists are assigned in the Division to conduct the initial certification of all Adult Day Care programs funded in North Carolina. Monthly monitoring of each certified Adult Day Care is completed by local departments of social services staff and submitted to DAAS for review.

The State Adult Day Care Fund through the Social Services Block Grant are funds disbursed by the Division of Social Services, however, the Division of Aging and Adult Services was given the funds administration and certification responsibility in 1992. Since that time, in addition to certification, the Business Officer for DAAS monitors funds utilization and administers budget revisions in an effort to utilize 100% of this appropriation.

E. Risk Assessment for Subrecipients

As required in NCGS 143-B-153 only certified Adult Day Care facilities may receive operational funds. Due to this annual requirement, each Adult Day Care must either receive initial certification or renewal of certification annually to continue to receive funding.

F. Monitoring Tool

A standardized monitoring tool is utilized to monitor program areas of the State Adult Day Care Program by local DSS staff. The elements in the monitoring tool are based on applicable laws and regulations that govern the programs being monitored.

G. Monitoring Schedule

Monthly, at a minimum, each program receiving SSBG funding for Adult Day Care services is monitored by the local county department of social services. At the time of annual certification by DAAS, the county DSS forwards required documentation to the Division and recommends the program for continued certification.

H. Monitoring Process

Adult Day Care Specialists with the DAAS certify all adult day care and adult day health care providers in the state. After the initial certification, each program receiving SSBG funding for Adult Day Care services is monitored monthly by the local county department of social services. During this monthly review, at a minimum, one aspect of programmatic, staffing, or service compliance is examined. At the time of the annual certification, the county DSS forwards required documentation to the Division and a recommendation that the program receive continued certification.

I. **Maintenance of Monitoring Documentation**

Monitoring tools, relevant verification information, compliance findings, corrective action plans, follow-up and annual certification correspondence for programs identified in this plan are maintained in the Division of Aging and Adult Services located at Taylor Hall Building, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

VII. Alzheimer's Disease Grants

A. **Purpose**

The purpose of this section of the DAAS Plan for Monitoring Subrecipients is to define the monitoring process for the Alzheimer's disease Support Services state funds that support programs and services to support Family Caregivers of persons with Alzheimer's disease and related dementias.

B. **Programs/Funds**

The following fund source and program is monitored as part of the Alzheimer's disease Grants:

Program Name	CFDA/Compliance Audit Supplement
Alzheimer's Disease	SF-4 Alzheimer's Disease Supportive Services

C. **Subrecipients**

The Division has a direct contractual relationship with agencies statewide to support the needs of family caregivers of persons with Alzheimer's disease and related dementias.

D. **Monitoring Staff**

This grant supports a full-time Alzheimer's Support Specialist who is responsible for the administration of the above grant as well as the annual monitoring of the program.

E. **Risk Assessment for Subrecipients**

As part of the role of the Alzheimer's Support Specialist, annual on-site monitoring visits are conducted to determine compliance with the terms set forth in the contractual agreement and performance goals for subrecipients.

F. **Monitoring Process**

The Alzheimer's Disease Program is contracted with a limited number of subrecipients due to the unique nature of the program goals. Monitoring includes desk reviews of performance logs,

review of reimbursement requests, and review of performance reports as well as conducting on-site visits.

G. Monitoring Reports

Written monitoring reports are submitted to each subrecipient detailing the review of the contractual agreement contained in DHHS Open Window against the actual performance of the subrecipient. A written description of the review conducted and identification of any non-compliance items is included in the report to the subrecipient.

H. Maintenance of Monitoring Documentation

Monitoring tools, relevant verification information, compliance findings, corrective action plans, follow-up and annual certification correspondence for programs identified in this plan are maintained in the Division of Aging and Adult Services located at Taylor Hall, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

VIII. Cash Assistance

A. Purpose

The purpose of this section of the DAAS Plan for Monitoring Subrecipients is to define the programs and fund sources which are "cash assistance" and therefore have a limited scope monitoring process. Typically, these fund sources provide support for specific positions or support efforts to support the purpose of the funded organization.

B. Programs/Funds

The following fund sources and programs are current considered cash assistance programs:

Program Name	CFDA/Compliance Audit Supplement
Senior Games	SF-62 Senior Games
State Adult Home Specialist Fund	SF-133 State Adult Home Specialist Fund

C. Subrecipients

- Senior Games
  Funds support the efforts of Senior Games of North Carolina, Inc. to promote the health and wellness of older adults through the coordinated local and state senior games.

- State Adult Home Specialist Fund
  Funds are provided to 100 county Department of Social Services to support adult home specialist positions.

D. Monitoring Process

Each program listed in this section of the DAAS Plan for Monitoring Subrecipients receives no formal monitoring, rather, a review of fiscal data is conducted including submission of any required performance reports to the Division or NC General Assembly.

E. Maintenance of Monitoring Documentation

Financial reimbursement/payment information, contracts and correspondence for programs identified in this plan are maintained in the Division of Aging and Adult Services located at Taylor Hall, 693 Palmer Drive, Raleigh, NC. Records will be maintained according to North Carolina's records retention policy.

IX.   Emergency Solutions Grant

A. Purpose

The purpose of the ESG program is to assist individuals and families to quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. The recipient agencies and organizations which run the homeless assistance projects apply for ESG funds to local lead agencies for the Continua of Care (CoC) or Regional Committees. The CoC or Regional Committees then submit a Request for Application (RFA), including recommended agencies for funding, to the NC Division for Aging and Adult Services for review, approval and contracting.

B. Programs/Funds

The Department of Housing and Urban Development (HUD) Year 2017 allocation for the NC ESG Program is $4,990,463. As such, NC ESG funding supports Emergency Response and Housing Stabilization Activities. Emergency Response activities include emergency shelter operations and services provided to persons housed by the shelter. Housing Stabilizations activities include street outreach; homelessness prevention and services; rapid re-housing services and financial assistance; and data collection through the Homeless Management Information System (HMIS). Subrecipients may also receive funding for the administration of the ESG Program.

C. Subrecipients

Subrecipients of 2017-18 NC ESG funds include local units of government and non-profits located throughout the state. Initial funding allocations are listed below.

2017 Subrecipeints are:

Project Applicant	Tier	Total Awarded
REACH of Cherokee Co	1	$ 10,710
REACH of Clay Co	1	$ 10,710
REACH of Haywood	1	$ 19,637
REACH of Macon Co	1	$ 19,637
Southwestern Child Development Commission	3	$ 41,292
Friends of the Homeless	1	$ 34,088
SAFE in Lenoir Co	3	$ 24,808
Salvation Army (Goldsboro)	3	$ 58,176
U Care, Inc	2	$ 36,871
Wilson Co Department of Social Services Dba Hope Station	2	$ 58,233
Hertford County DSS	4	$ 13,415
Center for Family Violence Prevention	3	$ 8,819
Greenville Community Shelter	1	$ 42,477
Pitt County Government	1	$ 43,888
Washington Area Interchurch Shelter & Kitchen	3	$ 16,215
Trillium Health Resources	4	$ 39,884
Carteret Co Dev Program	2	$ 19,174
Coastal Women's Shelter	3	$ 9,572
Religious Community Svcs	1	$19,174
United Way of Onslow Co	3	$ 42,144
Haven of Transylvania Co	1	$ 19,444
Sixth Ave Psychiatric Rehabilitation Partners, Inc. dba Thrive	4	$ 79,961
Family Care Center/Catawba Valley	1	$ 51,633
McDowell Mission Ministries	1	$ 36,208
Meeting Place One	3	$ 13,650
Options, Inc.	3	$ 4,945
Shelter Home of Caldwell Co	3	$ 7,000
Salvation Army Hickory	4	$ 20,650

Dulatown Outreach Center (for Kwanzaa Family Inn)	1	$12,650
Diakonos, Inc.	3	$ 103,548
Echo Ministries dba The Ark	1	$ 15,000
Greater Mt Airy Hospitality Ministry	1	$ 15,123
Homes of Hope	3	$ 18,089
Rape Child & Family Abuse Council of Salisbury	2	$ 24,000
Rowan Helping Ministries	1	$ 38,000
Union Co Community Shelter	2	$ 144,501
Central Piedmont Community Action	4	$ 34,962
Christian Help Center	4	$ 10,000
Friend to Friend	3	$ 23,153
Johnston Lee Harnett Community Action	1	$ 182,031
SAFE of Harnett County	2	$ 41,997
Robeson County Committee on DV dba Southeastern Family Violence Center	3	$ 126,257
Infinite Possibilities, Inc.	3	$ 49,740
United Community Ministries	1	$ 120,000
Hannah's Place	4	$ 20,000
City of Winston-Salem (**funds distributed to providers**)	1	$ 197,432
City of Winston-Salem / Salvation Army		
City of Winston-Salem / UW of Forsyth		
City of Winston-Salem Bethesda Homeless Center		
City of Winston-Salem / Experiment in Self-Reliance		
City of Winston-Salem / Family Services		
City of Winston-Salem / Goodwill		
City of Winston-Salem / Samaritan Ministries		
City of Asheville (**funds distributed to providers**)	3	$ 123,460
City of Asheville / Homeward Bound		
City of Asheville / City of Asheville		
City of Asheville / Helpmate		
City of Asheville / Salvation Army		

Families Moving Forward	1	$ 86,206
PLM Families Together	3	$ 54,138
Family Services of the Piedmont (Carpenter)	3	$ 20,608
Open Door Ministries of High Point	1	$ 123,504
Salvation Army (Greensboro)	1	$ 32,874
West End Ministries	1	$ 25,470
Partners Ending Homelessness	4	$ 41,310
Mens Shelter of Charlotte	1	$ 142,822
Relatives Inc	3	$ 79,196
Safe Alliance	1	$ 25,037
Salvation Army (Charlotte)	3	$ 166,823
Supportive Housing Communities	3	$ 19,103
Cape Fear Council of Governments (**funds distributed**)	2	$ 133,948
Cape Fear Council of Governments / Good Shepherd		
Cape Fear Council of Governments / CFG0G		
Cape Fear Council of Governments / Family Promise		
Cape Fear Council of Governments / First Fruit Ministries		
Family Promise of Wake Co, Inc	1	$ 36,000
Family Violence Prevention Ctr dba Interact	1	$ 69,000
PLM Families Together	3	$ 124,205
Triangle Family Services (TFS)	4	$ 47,532
Cleveland Co. Abuse Prevention Council	3	$ 8,000
Family Promise of Gaston County	2	$ 50,000
Lincoln Co. Coalition Against Domestic Violence	1	$ 8,000
Salvation Army (Gastonia)	1	$ 52,411
United Way of Gaston Co	1	$ 5,400
Reinvestment in Communities of Gaston County, Inc (RIC)	4	$ 24,806
Lincoln County Department of Social Services	4	$ 15,850
CARE Family Violence Center of Cumberland Cty - DSS	3	$ 14,215
Salvation Army Fayetteville	3	$ 20,000
Inter-Faith Council for Social Services	1	$ 35,782

Orange County DSS	1	$ 23,854
Hospitality House of the Boone Area	2	$ 116,241

Total Allocated $3,704,693

Tier 1	**65% or higher**
Tier 2	**55% - 64%**
Tier 3	**54% or less**
Tier 4	**new program**

D. Monitoring Staff

There are three staff that monitor the ESG Program.

E. Monitoring Process

On-site fiscal and programmatic monitoring of the ESG will be conducted to provide oversight and technical assistance in the administration of the funding. The purpose of fiscal and programmatic monitoring is to ensure compliance with HUD and state regulations. Additionally, monitoring is also achieved through monthly review of financial and programmatic reports submitted with subgrantee monthly reimbursement reports.

F. Monitoring Tools

DAAS provides prescriptive monitoring instruments for all services. These programmatic instruments can be found on the DAAS web site at https://www.ncdhhs.gov/assistance/low-income-services/emergency-solutions-grant-program-information-for-grantees and also in the appendices of this document. These tools must be utilized by the Division for monitoring the ESG.

G. Reporting

The Division is required to report on an annual basis to HUD using the Integrated Disbursement and Information System (IDIS) and the Consolidated Annual Performance and Evaluation Report (CAPER) System.

There can be no extensions or exceptions to these due dates. To ensure accuracy, data will be reviewed by another DAAS employee familiar with the reporting process to make sure all required fields are answered. Payments to subrecipients will be compared to amounts in NCAS (BD701 Report).

H. Maintenance of Monitoring Documentation

All documentation related to the monitoring of ESG will be maintained on file at the Division of Aging and Adult Services, 918 Tate Drive, Raleigh, NC. Files will contain the following information:

- Signed Grant Agreement
- Compliance Monitoring Tools
- Monitoring Reports

Each ESG will also maintain copies of the above-noted items on file at their agency for review by DAAS staff during on-site monitoring visits.

APPENDIX 1–Monitoring Plan
Adult Services Monitoring
County Levels

Level I Counties

Alexander	Gates	Pamlico
Alleghany	Graham	Pasquotank
Anson	Granville	Pender
Ashe	Greene	Perquimans
Avery	Hertford	Person
Bertie	Hoke	Polk
Bladen	Hyde	Richmond
Camden	Jackson	Stanly
Caswell	Jones	Stokes
Chatham	Lee	Swain
Cherokee	Macon	Transylvania
Chowan	Madison	Tyrrell
Clay	Martin	Warren
Currituck	McDowell	Washington
Dare	Mitchell	Watauga
Davie	Montgomery	Yadkin
Franklin	Northampton	Yancey

Level II Counties

Alamance	Halifax	Randolph
Beaufort	Harnett	Robeson
Brunswick	Haywood	Rockingham
Burke	Henderson	Rowan
Cabarrus	Iredell	Rutherford
Caldwell	Johnston	Sampson
Carteret	Lenoir	Scotland
Cleveland	Lincoln	Surry
Columbus	Moore	Union
Craven	Nash	Vance
Davidson	Onslow	Wayne
Duplin	Orange	Wilkes
Edgecombe	Pitt	Wilson

Level III Counties

Buncombe	Forsyth	New Hanover
Catawba	Gaston	Wake
Cumberland	Guilford	
Durham	Mecklenburg	

APPENDIX 2–SA Monitoring Plan

Division of Aging and Adult Services

Risk Evaluation Matrix - County Subrecipient

County Name:

Program Name :
State/County Special Assistance

Criteria	Risk Level						Evaluation Score
	Low Risk		Moderate Risk		High Risk		
	Description	Weighting	Description	Weighting	Description	Weighting	
1. Most recent Monitoring Report							
Summary of Overall Compliance Supplement Criteria Requirement Findings	In compliance in all requirement areas monitored and no chargebacks	2	Out of compliance in one requirement area and 2 or fewer charge backs	4	Out of compliance in two or more requirement areas or three or more chargebacks	6	
2. Single Audit							
Single Audit Findings in SA Program area	No audit findings for past 2 years.	2	Audit findings within the past two years with pending or completed corrective action and not requiring county charge backs.	4	Significant audit findings within past 2 years; audit findings not addressed and/or not resolved in timely manner; and/or chargebacks required.	6	

3.DSS Self Assessment Internal Controls:							
Self Assessment	Self assessment shows (2 or fewer) internal control weaknesses in areas identified by DAAS as critical in the SA program.	1	Self assessment shows several (3-7) internal control weaknesses in areas identified by DAAS as critical in the SA program.	2	Self assessment shows major (8 or more) internal control weaknesses in areas identified by DAAS as critical in the SA program.	3	
4. DAAS staff consultation, site visits, report reviews							
Information obtained by DAAS staff through consultation, site visits, Program report reviews (CSDW,NCXPTR)	No concerns noted or concerns addressed by county.	2	Concerns noted and county appropriately addressing.	4	Significant concerns and county unable/unwilling to address/correct.	6	
					Total Evaluation Score		

Evaluation Score Key:

   Low Risk = Score 7-10

   Moderate Risk = Score 11 -17

   High Risk = Score 18 -21

County DSS : _____	Date of Exit Conference : _____

PROGRAM/S MONITORED:	☐ SSBG ☐ APS ☐ Medicaid Administrative Claiming (MAC) ☐ IHAS Recertification ☐ Guardianship ☒ **Special Assistance (SA)**
Area of Corrective Action by DSS: (Include Tool Section Reference**)**	
Corrective Action Plan:	
SAPR Follow Up	
Area of Corrective Action by DSS: (Include Tool Section Reference)	
Corrective Action Plan:	
SAPR Follow Up	
Area of Corrective Action by DSS: (Include Tool Section Reference)	
Corrective Action Plan:	
SAPR Follow Up	

We are in agreement regarding the above area(s) requiring correction and a corrective action plan:

SA Program Representative: _____   **Date:** _____   **DSS Director or Representative:** _____   **Date:** _____

The Agency's corrective action plan has been implemented. Monitoring is complete.

SAPR Signature: _____   **Date:** _____   **DSS Representative :** _____   **Date:** _____

Appendix 4–SA Monitoring Plan			
Compliance Supplement Criteria Requirement			**Compliance Supplement Criteria**
COMPLIANCE MET?	**Yes**	**NO**	**N/A**
a. Activities Allowed or Unallowed (Specifies the activities that can or cannot be funding under a specific program; adherence to administrative funding limits)			N/A for this report
b. Allowable Cost/Cost Principles			N/A for this report
c. Cash Management:			N/A for this report
d. Eligibility**:** To ensure that the eligibility requirements are being administered appropriately based on program procedures *Overall error rate is less than 30% on each SA Monitoring Tool Sections VII.1. or VII.2.*			
e. Equipment and Real Property Management:			N/A
f. Matching, Level of Effort (N/A), Earmarking(N/A): **Matching:** Compliance Requirement - Funding for benefits under this program come from 50% state funds, and requires a 50% county match. Administrative costs are funded with 100% county dollars. **Verified by Single Audit Review.**			N/A for this report
g. Period Of Performance			N/A for this report
h. Procurement, and Suspension and Debarment			N/A for this report
i. Program Income:			N/A for this report
j. Real Property Acquisition and Relocation Assistance:			N/A for this report
k. Reporting**:** DSS-0 crosscutting requirements apply. County departments of social services report information about applicant eligibility and recipient payments via the Division of Social Services' North Carolina Families Accessing Services through Technology (NC FAST) Fiscal reporting is conducted via the DSS-1571. *[County appropriately utilizes SA client and financial reporting systems including correct facility affiliation in NCFAST.)*			
l. Subrecipient Monitoring			N/A
m. Special Tests and Provisions			N/A for this report
n. Conflict of Interest: Limitations on Payments prohibits payment of SA benefits to any recipient in the care of an adult care home that is owned or operated in whole or in part by: (1) a member of the Social Services Commission, of any county board of social services, or of any board of county commissioners; (2) an official or employee of DHHS, unless said official or employee has been appointed temporary manager of the adult care home pursuant to G.S. 131E-237, or of any county department of social services; or (3) a spouse of a person designated in either (1) or (2). Verified by Single Audit Review			N/A for this report

Appendix 5 – [Adult Services Monitoring Tools](#) (click on title to view form website)