



COMPLIANCE MONITORING PLAN
CDBG-DR/MIT PROGRAMS

Version 9.0

July 18, 2024



Version History

Version Number	Date Revised	Summary of Changes
1.0	September 2019	Original Version
2.0	March 2020	Added additional detail regarding monitoring process
3.0	April 2020	Added Hurricane Michael information and Mitigation programs to Programs Monitored and Statutory Requirements and Guiding Documents, added clarifying language regarding Quality Assurance/Quality Control (QA/QC) reviews, and made minor grammatical corrections.
4.0	July 2020	Updated Hurricane Michael programs under Programs Monitored. Changed “division” to “bureau” under Roles and Responsibilities. Corrected minor typographical errors.
5.0	December 2020	Updated Risk Matrix, included COVID-19 considerations for the Monitoring Workplan, added subrecipient Single Audit conditions and other OLTR audit review processes, and included additional timing considerations and management decisions for Programmatic and Fiscal Monitoring under Planning, Fieldwork, Reporting, and Response phases.
6.0	April 2021	The Office of Disaster Recovery (ODR) has changed its name to Office of Long-Term Resiliency (OLTR). Additionally, there was a bureau name change from Bureau of Finance and Administration to Bureau of Administration. This includes the changing of Bureau Chief, Finance and Administration to Bureau Chief, Administration. These changes occurred throughout this document.
6.1	September 2021	Formatted Document for Consistency with other OLTR Policy documents Added Version Policy and Policy Change Control
7.0	March 2022	Updated risk analysis with expenditure threshold requirements and program award/allocation considerations, as well as how the analyses result in a refined monitoring approach for the monitoring workplan and proposed monitoring schedule. Additionally, a third monitoring review type, virtual reviews, is further outlined and explained for potential monitoring engagements.
7.1	October 2022	Replaced CDBG-DR to include MIT (CDBG-DR/MIT) throughout the document. Deleted “Standard Operating Procedures” (SOPs) from document. Replaced “on-site” with “onsite” to be consistent throughout. Deleted “virtual reviews” (to include definition) from the document. Replaced “semi-annually” reference to “annually” regarding updating risk assessment. Deleted signature block.
7.2	November 2022	Updated the language in section <i>8.0 Monitoring Workplan and Schedule</i> .
8.0	March 2023	Updated formatting throughout the document for consistency with other program documents. Updated 2 CFR 200.333 to 2 CFR 200.334. Updated the first paragraph in section 7.0 Risk Analysis and deleted “expenditure rate thresholds” bullet.

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		<p>Updated section 8.0 Monitoring Workplan and Schedule and renamed it to 8.0 Monitoring. This included removal of 20/80 expenditure percentages monitoring frequency references.</p> <p>Updated section 10.1 Programmatic Monitoring language to include triggers for monitoring.</p> <p>Deleted the first sentence in section 10.2 Planning.</p> <p>Removed virtual monitoring language in 10.3 Fieldwork.</p> <p>Updated section 11.1 Fiscal Monitoring to reflect current monitoring processes.</p> <p>Added section <i>16.0 Administration</i> for this plan. This changed the numbers for the following sections.</p>
8.1	August 2023	<p>Deleted last sentence from section <i>11.0 Fiscal Monitoring</i>.</p> <p>As of July 1, 2023, and per Florida HB 5, ch. 2023-173, L.O.F. the former Florida Department of Economic Opportunity has been renamed the Florida Department of Commerce, referred to as “FloridaCommerce.” To reflect this change, all references to the former Florida Department of Economic Opportunity (including “DEO”) have been updated to represent FloridaCommerce.</p> <p>Formatting and branding updated to reflect new agency branding.</p>
8.2	December 2023	<p>Updated language in the document referencing “project” to “subrecipient.”</p> <p>Deleted Section 9.0 – Strike Team Support</p> <p>Deleted “Strike Team Reviews” within section <i>6.0 Types of Monitoring</i></p>
9.0		<p>Updated section <i>3.0 Programs Monitored</i> to include the following: Mitigation Housing Oversubscription Program, Hurricane Sally, and Hurricane Ian Programs</p> <p>Updated language in the following sections: <i>6.0 Types of Monitoring, 9.0 Monitoring Process, 9.1 Programmatic Monitoring, 9.2 Planning, 9.3 Fieldwork, 9.5 Reporting, and 11.0 Technical Assistance</i></p> <p>Added section <i>9.4 Technical Assistance Plan (TAP) and Attachment A – Technical Assistance Plan</i></p>

Version Policy

Version history is tracked in the Version History Table (page ii), with notes regarding version changes. Dates of each publication are also tracked in this table.

Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

Policy Change Control

Policy review and changes for the State of Florida Office of Long-Term Resiliency are considered through a change-control process. Policy clarifications, additions, or deletions are needed during the course of the program to more precisely define the rules by which the Program will operate. Program staff will document policy-change requests that will be tracked in the program files. Requests are compiled and brought before supervisory staff in a policy meeting. Subject matter experts working in a particular policy area or task area that will be affected by the policy decision may be invited to assist in policy evaluation, if necessary. Policy meetings will be held as frequently as is necessary to consider policy decisions critical to moving the Program forward in a timely manner. Policy decisions will be documented and will result in the revision of the document in question.

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1.0 Introduction

As per Community Development Block Grant (CDBG) regulation, 24 C.F.R. § 570.501(b), grantees of Community Development Block Grant Disaster Recovery/Mitigation (CDBG-DR/MIT) funds are responsible for carrying out their programs to meet compliance with CDBG-DR/MIT Program, statutory and regulatory requirements, including monitoring their project administrators, contractors, and subcontractors.

Additionally, 2 CFR § 200.328 states that the non-Federal entity is responsible for the oversight of the operations of the Federal award supported activities and that monitoring by the non-Federal entity must cover each program, function, or activity.

As such, throughout the application, planning, design, and implementation phase of the program(s), the Florida Department of Commerce's (FloridaCommerce) Office of Long-Term Resiliency (OLTR) will conduct monitoring of processes, procedures, policy, applications, planning, design, construction, and other applicable phases. OLTR will work to ensure that programs are operating efficiently and effectively and that CDBG-DR/MIT funds are being used appropriately. The implementation of effective monitoring of the program's compliance against the program guidelines, requirements and procedures is important to identify areas of strong performance and areas that need improvement and/or a corrective action.

OLTR has established this Monitoring Plan to:

- Gauge the overall progress and effectiveness of program implementation.
- Identify and resolve compliance issues that may compromise program integrity, funding, and service delivery.
- Identify areas that would benefit from technical assistance and/or training.

The Monitoring Plan will allow OLTR Compliance to carry out activities uniformly, efficiently, and effectively. The monitoring plan may be updated as needed based on program design and any policy changes to federal and local requirements over the life of the grant.

2.0 Statutory Requirements and Guiding Documents

All monitoring conducted shall be guided and governed by all applicable federal and state statutes including but not limited to:

- 2 CFR Part 200
- 24 CFR Part 570
- November 16, 2011, Federal Register Notice, Volume 76, Number 221
- Title I of the Housing and Community Development Act of 1974
- All current Action Plans as amended, and grant agreements as amended with HUD
- 73C-23.0051, FAC – Grant Administration and Project Implementation
- 73C-23.0081, FAC – Nonrecurring CDBG Funding
- January 27, 2020, Federal Register Notice, Volume 85, Number 17
- February 9, 2018, Federal Register Notice, Volume 83, Number 28
- August 14, 2018, Federal Register Notice, Volume 83, Number 157
- November 21, 2016, Federal Register Notice, Volume 81, Number 224
- January 18, 2017, Federal Register Notice, Volume 82, Number 11

- August 7, 2017, Federal Register Notice, Volume 82, Number 150

3.0 Programs Monitored

OLTR is currently monitoring the following CDBG-DR and CDBG-MIT funded programs (including subrecipients):

- Hurricane Irma
 - Housing Repair and Replacement Program
 - Workforce Affordable Rental New Construction Programs (FHFC)
 - Voluntary Home Buyout Program
 - Workforce Recovery Training Program
 - Business Recovery Grants Program
 - Infrastructure Repair Program
- Hurricane Hermine and Hurricane Matthew Subrecipients
 - St. Johns County
 - Citrus County
 - Brevard County
 - City of Jacksonville
 - City of Palatka
 - Pasco County
 - Putnam County
 - Volusia County
- Mitigation Program
 - Critical Facility Hardening Program
 - Mitigation General Planning Program
 - Mitigation General Infrastructure Program
 - Housing Oversubscription Program
- Hurricane Michael
 - Housing Repair Program
 - Voluntary Home Buyout Program
 - Hometown Revitalization Program
 - Workforce Recovery Training Program
 - General Infrastructure Program
 - Hazard Mitigation Grant Match Program
- Hurricane Sally
 - Subrecipient Housing Repair and Replacement Program
 - Voluntary Home Buyout Program
 - Infrastructure Repair Program
 - Hometown Revitalization Program
 - Workforce Recovery Training Program
 - Workforce Affordable Housing Construction Program (FHFC)

- Hurricane Ian
 - Housing Repair and Replacement Program
 - Multiple Impact Program
 - Workforce Affordable Housing Construction Program (FHFC)
 - Hazard Mitigation Grant Match Program

4.0 Roles and Responsibilities

The Compliance staff reports directly to the Finance and Administration Bureau Chief who reports directly to the Director of Long-Term Resiliency. This bureau is separate from the Operations and Economic Recovery bureaus which are responsible for program implementation. This reporting structure is intended to foster independence in the performance of monitoring engagements and the reporting of monitoring results. Below are the key roles of the compliance team and the job descriptions thereof.

Bureau Chief, Finance and Administration:

- Provides oversight of all compliance and monitoring activities
- Signs all relevant letters (e.g. onsite visit strategy letter and monitoring report letter)
- Issues final decisions regarding findings and concerns.

Compliance and Reporting Manager:

- Directs the day-to-day activities related to CDBG-DR/MIT compliance and monitoring
 - Completes and maintains risk assessment and monitoring schedule
 - Edits and tracks letters to all entities
 - Ensures the compliance and monitoring staff are prepared for and are effectively carrying out all tasks.

Compliance Officers:

- Complete monitoring reviews and technical assistance
- Draft all relevant letters
- Compile and complete monitoring checklists
- Update documents on OLTR website

FloridaCommerce has engaged contractors to assist with monitoring all CDBG-DR/MIT programs. Where the Plan notes work done by OLTR monitoring, it is understood that the designated monitoring and oversight contractor(s) serve as an extension of OLTR, under OLTR guidance and management to serve the monitoring roles and responsibilities.

5.0 Personally Identifiable Information (PII)

OLTR shall safeguard the confidentiality of all PII reviewed during any monitoring event. PII is defined under 2 CFR 200.79 and 2 CFR 200.82. For the purposes of this Monitoring Plan, PII includes without limitation, names, credit card numbers, social security numbers, biometric data, bank account numbers, passport numbers, computer passwords, or any other health, financial, or employment information.

OLTR shall not appropriate for its own use or disclose any PII except to those persons directly concerned with the PII and only to the extent necessary to comply with Federal regulations.

OLTR may not store PII on computers, mobile devices, cellular telephones, and/or personal digital assistants, servers, and/or storage devices, including removable media, unless required for the performance of monitoring under this Monitoring Plan.

6.0 Types of Monitoring

OLTR will perform an initial risk assessment to evaluate each program to determine what level of monitoring will be conducted to ensure that all subrecipients are compliant. A range of monitoring methods will be used including (but not limited to):

- **Desk (virtual) Reviews** – a review of documents submitted by program staff, subrecipients, and contractors/vendors.
- **Onsite Reviews** – activities such as review of documentation of eligibility and national objective compliance, financial expenditure records, interviews with staff, and inspection of records for the CDBG-DR/MIT activities conducted.

Standardized monitoring checklists will be used to ensure consistency and to provide a detailed record. The monitoring checklists are tailored from the HUD monitoring exhibits found in the CPD Monitoring Handbook (6509.2).¹

7.0 Risk Analysis

OLTR will conduct risk analyses annually on all programs in order to identify those entities and programs that are most susceptible to fraud, abuse, or mismanagement. OLTR will primarily review the following measures in determining the risk level of entities and programs:

- Program award and allocation amounts:
 - OLTR will consider the amount of funding an entity has received or been awarded as a measure in determining a higher level of risk.
 - OLTR will consider entities who have allocations totaling above \$5 million as higher risk.
 - Entities who have not expended initial funding within an appropriate timeframe and have allocations in between \$2 and \$4 million.

OLTR's Compliance team may also employ another measure, program and subrecipient risk assessments, to provide critical information and effectively target resources toward entities and programs that pose other risks to the integrity of OLTR's CDBG-DR/MIT funding. The below matrix example lists general risk assessment criteria. In addition to the quantitative measures listed in the matrix, qualitative risk factors may also be considered. This will not change the overall risk score but may provide justification for including an entity in the Monitoring Workplan and Approach. Such qualitative factors include but are not limited to local media reports, litigation, major new programs undertaken, subsequent disasters, staff turnover, and citizen complaints. OLTR may adjust the matrix outlined below to reflect new criteria or risk factors as identified.

¹ https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/6509.2/

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Criteria	Description	High Risk	Medium Risk	Low Risk
Capacity	Program Administrator's current staff capacity and its ability to ensure programmatic compliance with the CDBG-DR/MIT regulations.	10	6	3
		Turnover of at least 1 key person and program complexity is greater than programmatic knowledge and capacity of its staff.	Program complexity is greater than programmatic knowledge and capacity of its staff.	No turnover and program complexity are in line with staff capacity and program knowledge
Funding	Total funds allocated to the program (including FEMA and other federal and state funds)	7	5	3
		Over \$100,000,000	\$50,000,000 - \$100,000,000	Less than \$50,000,000
Complexity	Type of activities; complexity of intake process; applicability of cross-cutting requirements; policies and procedures.	10	6	3
		4+ activity types; highly complex intake system; many cross-cutting requirements apply; no drafted program guidelines or internal SOPs.	3 or fewer activity types; intake system that may strain resources; some cross-cutting requirements apply; drafted but not fully approved guidelines or SOPs.	1-2 activity types; intake system is manageable; little or no cross-cutting requirements applicable; approved guidelines and SOPs.
Implementation Method	Type of entity carrying out the programs (more layers, more risk)	8	5	2
		Subrecipient	Grantee Staff	Vendor Implementation
Relevant Experience	The Program Administrator's experience administering CDBG- DR funds	10	6	3
		No Experience	1 to 3 Years of Experience	4+ Years of Experience
Compliance History	The Program Administrator's past compliance with federally funded programs.	8	5	2
		No past monitoring or severe deficiencies were revealed	Evidence of prior monitoring; deficiencies noted, but non severe	Evidence of prior monitoring; no deficiencies noted
		5	3	1

Project Timeline	The projected and defined timeline for program completion, per the agreement; performance management.	Completion under 12 months; significant program or project delays experienced (longer than six months).	12-24 months; program/project delays less than six months.	Over 24 months; program/projects moving along as scheduled.
Low Risk: 24 or Fewer Points		Medium Risk: 25-40 Points	High Risk: 41-58 Points	

Together with the primary factors identified above, the risk analysis will ultimately determine programs which will be monitored onsite and remotely, program and focus areas to be covered, and the depth of the review. These risk analysis tools will allow the state to minimize potential risk as it administers its CDBG-DR/MIT allocation.

8.0 Monitoring

After the risk analyses are completed and results are finalized, high-risk programs, as identified through the primary factors above, may be reviewed more frequently. Technical assistance may be provided for additional guidance and support.

As necessary and possible, OLTR will conduct programmatic and fiscal monitoring reviews for each active CDBG-DR/MIT program or subrecipient (2 CFR 200.332(b)). Desk reviews may be performed if an onsite review is not feasible. Additional monitoring may occur if a matter is uncovered by an external audit or necessitated by the possibility of fraud, waste, or mismanagement.

9.0 Monitoring Process

9.1 Programmatic Monitoring

Programmatic monitoring can be triggered with any of the following:

- Program/Subrecipient Risk
- Any fiscal related activity (see section 11.0 *Fiscal Monitoring*)
- Concern(s) for timely activity completion
- OLTR program staff communication regarding:
 - Invoice/drawdowns
 - Upcoming activity closure
 - Any other issues related to the Program/Activity

The monitoring review is broken into 4 stages: planning, fieldwork, Technical Assistance Plan (TAP), reporting, and response.

9.2 Planning

In developing the monitoring strategy, the monitoring team will identify key risk factors associated with specific activities to be monitored, the likelihood of non-compliance and the potential impact. This will determine critical risks that should be addressed during the monitoring visit.

Furthermore, for subrecipient monitoring engagements, all subrecipients implementing projects under the monitored programs may undergo a risk assessment as outlined within Section 7.0: Risk Analysis. This assessment will review key risk criteria as identified in the Risk Matrix above but will include

additional risk factors such as a review of past OLTR monitoring and federal Single Audit findings for evidence of outstanding sanctions or non-compliance. These risk assessments will be similar in scope to program risk assessments but conducted solely on applicable subrecipients during the planning phase of monitoring engagements. The assessment results will support OLTR's Compliance Team by providing additional information needed to determine the monitoring review scope.

The program and/or entity being monitored will receive a notification letter within 30 days of the planned monitoring review (Onsite Monitoring or Desk (virtual) Monitoring) which will detail the type of monitoring, timeframe to conduct the monitoring, and the nature and scope of the review. Preliminary documentation may be requested to facilitate further planning, such as sample selection, prior to the start of the monitoring. To the greatest extent feasible, documentation on-hand should be reviewed prior to the monitoring engagement to maximize the time available for reviewing documents during the monitoring. Such documentation may include the following:

- Active written agreements with the Monitored Entity;
- Progress and performance reports;
- Drawdown requests;
- Documentation of previous monitoring(s), including open findings;
- Copies of any audit reports of the entity/program; and
- Any documentation requested and received from the Monitored Entity.

OLTR should receive access to all documents requested in the notification letter and the sample of files selected for review. OLTR will use the monitoring checklists to perform the review. The checklists will be completed by OLTR throughout the monitoring event, including the notes related to the file review and interviews with key personnel.

Approximately two weeks after the monitoring notification letter is sent to the entity, a virtual pre-monitoring orientation via Microsoft Teams meeting will be set up to go over monitoring review logistics.

Any potential deficiencies or evidence of non-compliance identified from the review of documentation prior to the engagement will be incorporated into the monitoring strategy.

9.3 Fieldwork

The fieldwork stage is comprised of two monitoring review types: desk monitoring, and onsite monitoring. Each form of monitoring has its own process and requirements in order to complete the monitoring:

- **Desk (virtual) Monitoring:** A desk monitoring may last up to five (5) business days or less.
- **Onsite Monitoring:** An onsite monitoring may last up to five (5) business days or less. . However, additional onsite reviews at different satellite locations, e.g., different subrecipients, may require an extension of time out in the field in order to complete onsite review(s).

Under extenuating circumstances the monitoring timeframe may exceed beyond the above stated days, e.g., severe weather, office closures, or any other circumstances which would require rescheduling regardless of monitoring review type to be conducted via Microsoft Teams (virtually).

During the fieldwork stage, OLTR will conduct an entrance conference with the appropriate representatives to explain the purpose of review. During the meeting, OLTR Compliance will:

- Explain the purpose, scope, and schedule of the Monitoring event;
- Confirm key personnel that will assist during the monitoring;

- Determine the times for interviews of key personnel, including the times for key personnel to be available to answer questions about files, if necessary;
- Schedule physical inspections, if applicable; and
- Verify the programs to be reviewed and how access to files will be granted.

Throughout the engagement, the monitoring staff will maintain an on-going dialogue with the program/project staff. This communication will keep the OLTR staff informed as to how the monitoring is progressing, enable discussion of any problem areas encountered, and provide the program/project team an opportunity to present additional information regarding preliminary findings and concerns. This will also minimize the potential for surprises during the exit conference or in the Monitoring Report.

At the conclusion of the monitoring review, OLTR will conduct an exit conference with key personnel to discuss preliminary findings and concerns. This meeting includes the following objectives:

- To present preliminary results of the monitoring visit and establish a clear understanding of the results of the monitoring review and next steps;
- To provide an opportunity for the program/project team to correct any misconceptions or misunderstandings;
- To secure additional information to clarify or support the position of the program/project team; and
- To provide an opportunity for the program/project team to report any steps taken to correct any deficiencies identified throughout the monitoring review.

During the exit conference, the monitoring team will also communicate next steps with the program/project staff and establish timelines for corrective actions, if necessary. All stakeholders should have a clear understanding of the monitoring results at the conclusion of the fieldwork phase.

Although the monitoring review may conclude once OLTR has conducted the exit conference, the monitored entity may be given the opportunity to provide documents to resolve preliminary findings and concerns notated in the exit conference prior to the issuance of the official Monitoring Report. The documents could result in a monitoring review conclusion which may impact the final monitoring results. In most cases, this additional review will further clarify monitoring conclusions raised during the exit conference and will not result in any substantial changes in the preliminary monitoring results or review scope. Regardless of the level of changes to the preliminary monitoring results, if any additional items are identified after fieldwork is complete that affect the final report, the program/project staff or subrecipient should be made aware prior to the issuance of the report.

9.4 Technical Assistance Plan (TAP)

FloridaCommerce has implemented the Technical Assistance Plan (TAP), a process that ensures Programs and Subrecipients are provided additional time and resources to work through areas identified during the monitoring review prior to receipt of the Monitoring Report. Providing technical assistance could help strengthen program's success by addressing any potential gaps or deficiencies, ensuring compliance with 24 CFR 570, 2 CFR 200, the terms and conditions in the subrecipient agreement, and the relevant Federal Register Notice(s) and cross-cutting requirements.

A three phased approach will be conducted by FloridaCommerce/OLTR and its vendor to address all action items reported during the monitoring visit.

1. Phase 1- When needed or requested by the Subrecipient, FloridaCommerce will conduct a Technical Assistance (TA) session with subrecipient staff, vendor, and participating OLTR staff, discussing action items found during the monitoring and corrective steps the subrecipient can implement to clear the action items.

2. Phase 2 - Allow subrecipient staff an initial 15 working days from when the TAP is received to implement corrective steps and actions thereby addressing those potential gaps or deficiencies in their day-to-day processes.
3. As/ If needed the OLTR participating staff will offer additional training and knowledge to enhance subrecipient understanding.

FloridaCommerce defines action items as items that represent the deficiencies in the program that if left unresolved will be a Finding in the monitoring report. Improvement items are items that represent deficiency in the program that if left unresolved will become Concerns in the monitoring report.

Action items listed within the TAP require subrecipient implementation of the listed (or comparable) corrective steps given. As stated above the subrecipient is granted (15) working days to implement the needed corrective steps with the assistance of the vendor and FloridaCommerce/OLTR staff.

If circumstances warrant, the subrecipient can request an extension for an additional 15 working days. Subsequent extensions will be granted to the subrecipient at FloridaCommerce's discretion. To request an extension subrecipients must contact FloridaCommerce/OLTR requesting for more time to clear listed action items for their programs. FloridaCommerce will then reach out to the vendor and inform them of the granted extension request.

Action Items that are not fully resolved during the TAP process may become findings once the official monitoring report is submitted into FloridaCommerce from the vendor. Findings will remain open until the needed corrective actions have been implemented by the subrecipient. Findings that are not addressed by the subrecipient will result in the agreement remaining open.

Improvement items may also be listed within the TAP as well as recommendations for the items. Improvement items do not necessarily require action from the subrecipient, but they are recommended. They offer the subrecipient an opportunity to implement changes to avoid and prevent any potential future findings or concerns if another monitoring were to occur. It is encouraged that the subrecipient work on and complete improvement items in the same time frame as action items (15 working days). If not addressed improvement items may be noted as concerns in the official monitoring report.

See *Attachment A – Technical Assistance Plan* for the TAP Template.

9.5 Reporting

Once the TAP is completed, a Monitoring Report will be prepared and signed by the OLTR Finance and Administration Bureau Chief, or their designee, within an estimated 60 days from the date of the exit conference, which summarizes the result of the monitoring review. The report should correspond to items discussed during the exit conference. Monitoring reviews may result in:

- **Findings** – issues that require immediate corrective actions by the program.
- **Concerns** – issues regarding the performance of programs or activities that may result in noncompliance if they are not addressed.
- **Observations** – issues which could lead to a concern or finding if not addressed, but there is not enough evidence at the time of the monitoring that would warrant a concern or finding.

The report will include corrective/recommended actions that would remedy the identified finding or concern. The tone of the Monitoring Report should be positive and strike a balance between recognizing the common goal of responsibly and effectively implementing CDBG-DR/MIT program(s) and reinforcing the needs and requirements to correct any deficiencies. If appropriate, the report should include significant accomplishments or positive changes to establish and/or maintain positive relationships and to recognize the dedication and commitment of the program/project staff to the program mission.

9.6 Response

The program/project staff or subrecipient will have 30 days to respond to all findings in the written Monitoring Report, unless an alternate timeline was specified in the report. The management response should include a plan and timeline for completing the required corrective actions, or proposals for alternate actions to remedy the situation. For example, the plan and timeline would outline an avenue for program/project staff or a subrecipient to request an extension of time, usually an additional 30 days, to complete corrective actions or to allow justifications for alternative correction actions. If issues are identified for corrective action and/or the responses to the Monitoring Report are deemed insufficient or incomplete, follow-up actions will be scheduled to track and record the progress of the resolution, including the submission of follow-up letters and issuance of incomplete corrective action determinations. These follow-up actions should usually take no longer than 60-90 days from the issuance of the initial Monitoring Report, but the timing and frequency of the follow-up communication will be determined at OLTR's discretion and should be based on the severity of the deficiency. All follow-up actions and determinations on incomplete actions or responses will be documented.

Once all findings and concerns have been remediated, the OLTR Compliance and Reporting Manager, Finance and Administration Bureau Chief, or their designee will issue a Clearance Letter to the program/project or subrecipient indicating that the issue has been closed. If in the course of finalizing the Monitoring Report, or during the monitoring visit, there was completion in addressing prior findings, the Monitoring Report may serve as the clearance letter, noting that the prior findings were resolved. All findings must be addressed prior to closure of the program/project.

10.0 Fiscal Monitoring

OLTR will perform fiscal monitoring reviews for all programs/subrecipients that receive CDBG-DR/MIT funding. Most monitoring engagements will include fiscal monitoring because of the risk analysis factors which drive OLTR's monitoring strategy.

The monitoring process for fiscal monitoring mimics the process for programmatic monitoring. OLTR will combine the two monitoring types when conducted at the same time and perform planning, fieldwork, reporting, and receive responses for any findings or concerns needing resolution that were noted in the final report.

11.0 Technical Assistance

The OLTR Compliance and Reporting Unit will continuously identify areas of opportunity to provide technical assistance (TA) where needed. The objective of technical assistance is to ensure compliance with Federal and State regulations and program requirements. The nature and extent of TA will be determined at the discretion of OLTR's Compliance Team. Some examples of TA may include, but not limited to:

- Verbal or written advice;
- Formal training; and/or,
- Documentation and guidance.

When deficiencies are identified through monitoring activities, TA may be required to assist in the resolution of the deficiency. If similar deficiencies are noted for multiple entities, organized TA activities may be coordinated. The training shall be coordinated between monitoring staff and program management staff.

12.0 Remedies for Non-Compliance

In accordance with 2 CFR 200.338 to .342, in the event that the program/project staff or subrecipient fails to correct identified deficiencies within a time period which is 90 days or greater from the issuance of the official Monitoring Report, OLTR may take one or more of the following actions, as appropriate in the circumstances:

- Temporarily withhold cash payments pending correction of the deficiency by the program/project staff or more severe enforcement action by OLTR.
- Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the award.
- Recommend the Federal Awarding Agency initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations.
- Withhold further awards for the project or program.
- Take other remedies that may be legally available.

Additionally, and as identified within 2 CFR 200.521, OLTR may enact management decisions if continual subrecipient non-compliance or deficiencies exist through incomplete corrective actions. These conditions may arise from monitoring findings as well as audit findings through the use of any federal subaward OLTR has provided. In these cases, OLTR may also utilize the remedies described above in an effort to ensure a subrecipient comes back into compliance. These decisions may occur as a result of the following reviews:

- A systemic or unresolved deficiency from a monitoring engagement as detailed within this section, with the subrecipient responding as outlined within the Response phase; or
- Any deficiency(ies) or determination(s) of non-compliance which are identified through other OLTR initiated audit review(s), as specified within *Section 6: FloridaCommerce Audit Requirements of the Rebuild Florida OLTR CDBG-DR and CDBG-MIT Comprehensive Financial and Grant Management Policy Manual*.

For audit reviews, the Bureau of Financial Monitoring and Accountability (FMA) develops monitoring tools and conducts department-wide subrecipient financial monitoring of the department's grant awards and agreements. Audit monitoring and review procedures, including processes related to the tracking and logging of applicable subrecipient audits, delinquent audit notifications, OLTR recordkeeping policy for subrecipient audits, and OLTR involvement in subrecipient resolution of audit findings, are located within the FloridaCommerce Audit Requirements section of the Financial and Grant Management Policy Manual.

13.0 Disaster Recovery Grant Reporting (DRGR) System

HUD's DRGR System was developed for the CDBG-DR/MIT program. The system is used by grantees to access grant funds and report performance accomplishments for grant-funded activities. The DRGR system is used by HUD staff to review grant-funded activities, prepare reports for Congress, and monitor compliance of grantees. As required by HUD, OLTR will enter monitoring and TA events in the DRGR system. The monitoring events are created in DRGR after the exit conference and are updated for the issuance of the final report and the responses received from the program/project.

14.0 Record Retention

In accordance with 2 CFR 200.334, financial records, supporting documentation, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditures report. Under 24 CFR 490(d), the State is required to retain records for three years from the time of closeout of HUD's grant to the State, or the period required by other applicable laws and regulation. However, the OLTR has opted to follow guidance outlined in the Department of Financial Services – Reference Guide for State Expenditures which states "the originating agencies are required to maintain the original vouchers, purchasing card transaction receipts and all supporting documentation for a minimum of five fiscal years, provided all applicable audits have been completed." As such, OLTR will retain all applicable monitoring documents for a minimum of five years after the closeout of the grant, as to ensure they stay in compliance with retention requirements.

All materials created and utilized for monitoring purposes shall be public record, except for PII and/or other materials, information or records that are specifically exempt from disclosure under applicable federal or state law.

Before mailing/e-mailing, all signed monitoring letters with attachments must be scanned and saved to the shared drive.

Within three weeks of completion of an onsite, or desk monitoring, digital copies of all monitoring documentation (forms and checklists, as well as materials copied onsite, provided in a response to a document request, or utilized during the monitoring) shall be saved on the shared drive.

15.0 Administration

The Compliance Monitoring Plan will be reviewed and revised as necessary to comply with Federal and State requirements. OLTR's Compliance and Reporting Manager is responsible for the administration, revision, and application of this plan.

16.0 Communication to Staff

The Monitoring Plan and each subsequent update will be saved to an internal network and forwarded to the appropriate OLTR staff and will also be made available on OLTR's website at www.floridajobs.org/CDBG-DR.

17.0 Certification

This Monitoring Plan formalizes the process by which the OLTR conducts its compliance monitoring for all subrecipients funded under the CDBG-DR/MIT Program.

18.0 Attachment A – Technical Assistance Plan



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[[INSERT DISASTER NAME]] CDBG-DR OR MIT [[INSERT PROGRAM TYPE]] PROGRAM
[[INSERT SUBRECIPIENT NAME]]
TECHNICAL ASSISTANCE PLAN
[[Insert month, day, year]]

Summary

Following our recent monitoring in [[insert Month and Year]], we have identified several areas in your [[insert Program type]] Program where immediate technical assistance (TA) could strengthen your program's success. Our objective is to assist you in addressing any potential gaps or deficiencies in your processes, ensuring compliance with 24 CFR 570, 2 CFR 200, the terms and conditions in the Subrecipient Agreement, and the relevant Federal Register Notice(s).

TA Methodology and Approach

This is a three-phased approach to address action items¹ identified during this monitoring visit:

- **Phase 1:** Conduct a TA session with staff to discuss action items and corrective steps², if requested.
- **Phase 2:** Allow staff time, as specified below, to implement these corrective steps thereby addressing potential gaps or deficiencies.
- **Phase 3:** As needed, the Office of Long-Term Resiliency (OLTR) team will offer additional training to enhance program understanding.

Action Items

The following action items were identified during our monitoring visit. These items require immediate attention and corrective steps:

Action Item	Focus Area	Corrective Step(s)
1. Recordkeeping a. Signature authorization does not contain the required information.	<ul style="list-style-type: none"> • Overall Management 	<ul style="list-style-type: none"> • Develop a written process for how [[insert subrecipient's name]] certifies applications for [[insert program name]] program participants.
2. Environmental Review Process a. HUD exemptions were not conducted on all outreach event locations. b. Policies do not establish that [[insert subrecipient's name]] has	<ul style="list-style-type: none"> • Overall Management • Program Management 	<ul style="list-style-type: none"> • Discuss memos or notes to file for inclusion into the environmental records for outreach event locations. • Develop a written policy or process that outlines RE

¹ Action items represent the deficiencies in the program that if left unresolved will be a Finding in the monitoring report.

² Corrective steps outline the necessary steps to resolve these issues.



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been identified as the Responsible Entity (RE) for completing/reviewing environmental reviews.		duties of [insert organization's name] for this program.
3.	•	•

Action Items and Timeframe for Corrective Step(s)

The above action item(s) require implementation of the listed (or comparable) corrective steps. You are granted fifteen (15) workdays, ending on [insert Month, day, year], to implement the necessary corrections with the assistance of [insert Vendor name] and [FloridaCommerce/OLTR].

If the circumstances warrant, you may request an extension of fifteen (15) additional workdays. To request an extension, please contact [FloridaCommerce/OLTR].

Important Note

Action items that are not fully resolved will become Findings once your monitoring report is issued and will need to be corrected to close out the agreement. The Finding(s) will remain open until the necessary corrective action has been taken.

Improvement Items

In addition to the action items, if applicable, we may have identified improvement items³ that will be listed in the table below. Improvement items may not necessarily require action, but it is recommended as they offer an opportunity to implement changes or updates that could prevent future Findings or Concerns.

Improvement Item	Focus Area	Recommendation(s)
1. Recordkeeping a. Signature authorization does not contain the required information.	• Overall Management	• Develop a written process for how [insert subrecipient's name] certifies applications for [insert program name] program participants.
2. Environmental Review Process a. HUD exemptions were not conducted on all outreach event locations. b. Policies do not establish that [insert subrecipient's name] has been identified as the Responsible Entity	• Overall Management • Program Management	• Discuss memos or notes to file for inclusion into the environmental records for outreach event locations. • Develop a written policy or process that outlines RE duties of [insert

³ Improvement items represent deficiency in the program that if left unresolved will become Concerns in the monitoring report.



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(RE) for completing/reviewing environmental reviews.		organization's name] for this program.
2.	•	•

Improvement Items and Timeframe for Implementing Recommendations

We encourage you to address improvement items concurrently with action items within the designated timeframe. Improvement items not addressed may be noted as Concerns in the monitoring report.

Contact Information

If you have any questions or would like to schedule TA, please contact your Grant Manager, [insert Grant Manager name], at [insert phone number] or [insert email address]. We are available to support you in this process and ensure the success of your [insert Program type] Program.