

Community Services Block Grant Final Monitoring Report

BACKGROUND

The Community Services Block Grant (CSBG) provides assistance to states and local communities working through a network of local eligible entities (generally known as Community Action Agencies). These eligible entities support locally-identified services and strategies for revitalization of low-income communities and the empowerment of low-income families to become fully self-sufficient. CSBG-funded activities create, coordinate, and deliver a broad array of services to low-income Americans. The grant's purpose is to fund initiatives to change conditions that perpetuate poverty, especially unemployment, inadequate housing, poor nutrition, and lack of educational opportunity.

The Governor of Nevada designated the Nevada Department of Health and Human Services (NV DHHS) as the appropriate lead agency for the administration of CSBG. The State of Nevada CSBG provides funding, technical assistance, and support to twelve (12) eligible entities. Together the agencies provide an array of services within the State of Nevada to address local area needs. Services may include housing, energy assistance, nutrition, employment and training, as well as transportation, family development, child care, health care, emergency food and shelter, domestic violence prevention services, money management, and micro-business development.

MONITORING AUTHORITY

CSBG Monitoring is conducted to examine the implementation, performance, compliance, and outcomes of a state's CSBG and to certify that the state is adhering to the provisions set forth in Title II – Community Services, of the Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Public Law 105-285 (Section 678B(c)). Consistent with requirements in the CSBG statute, the onsite review examines the state and its eligible entities assurances of program, fiscal and governance operations, as well as the state's oversight procedures for its eligible entities.

SCOPE OF REVIEW

OCS federal staff conducted the on-site review of the Nevada CSBG and its eligible entities from Tuesday, January 29, 2019 through Friday, February 01, 2019. The period reviewed included the Fiscal Year 2017.

METHODOLOGY

OCS reviewed documented procedures and practices for administrative, fiscal, and program operations and interviewed the Nevada officials responsible for administering CSBG.

OCS reviewers:

- Evaluated compliance of state-level assurances, administrative, fiscal, program, and governance requirements.

- Evaluated the state’s monitoring procedures and practices to determine eligible entities compliance with the state-level assurances.

NV DHHS was sent an Initial Report on May 3, 2019 for which there were 30 days to provide a response. All written responses were read and evaluated.

PROGRAMMATIC ANALYSIS:

During our review of your programmatic operations, we documented the following issues of non-compliance, and opportunities for improvement.

Issues of Non-Compliance

- Item 1: NV DHHS did not enforce their policies over the Tripartite Board Composition.

Entities' boards must be comprised of at least one third representatives of low-income individuals and families, one third elected officials (or their appointees), and the remainder business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served as defined by § 678B of the CSBG Act.

- Required Action 1: Establish policies and procedures for ensuring timely action by eligible entities to fill vacancies in tripartite boards. This should include:
 - A requirement for the entities to communicate vacancies;
 - A requirement that the state follow up on the vacancies within a stated period of time;
 - A stated period of time that the entity shall be permitted to fill the required position;
 - Any permissible extensions and the required support and approval for such extensions; and
 - Deadlines before further actions, such as Corrective Action or Quality Improvement Plans.

Grantee Response:

NV DHHS will establish policies and procedures to ensure timely action by eligible entities to fill vacancies in tripartite boards by 9/30/2019.

OCS Decision:

NV DHHS has taken steps to begin implementing corrective actions to strengthen its control processes over tripartite board requirements. OCS agrees with NV DHHS proposed required corrective actions and completion date. Non-compliance Item 1 remains open pending completion of NV DHHS planned actions.

FISCAL ANALYSIS

During our review of fiscal operations, we documented the following, issues of non-compliance and opportunities for improvement. The former will require your immediate attention.

Issues of Non-Compliance

- Item 1: NV DHHS did not enforce the Administrative Requirements, terms and conditions of the 2017 CSBG Award.

As required by 45 CFR 96.14 (a), describes that states have time limits for obligating and liquidating expenditures of the grant. Amounts unobligated at the end of the fiscal year in which they were first allotted shall remain available for obligation during the succeeding fiscal year for all block grants.

According to 45 CFR 96.30, grantee's fiscal controls and accounting procedures must be sufficient to (a) permit preparation of reports required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions. In addition, 45 CFR 96.30 (4) states that grantees are required to provide the Federal Financial Report within 90 days of the close of the grant award period.

- Required Action 1: Implement steps to reconcile the CSBG award for 2016 and 2017 with the state accounting records. This reconciliation should include entity level detail of amounts spent and amounts carried forward by federal fiscal year.
- Required Action 2: Resubmit the corrected "Annual and Final" FFRs for the 2016 and 2017 CSBG awards. *Note: NV DHHS's resubmission of the FFRs should also include any amounts reported as unliquidated obligations.*
- Required Action 3: Formalize written procedures to ensure compliance with the CSBG terms and conditions of the award when administering the grant in its daily administrative operations

Grantee Response:

NV DHHS is moving all grant activities and subgrants awards to the federal fiscal year to begin 10/1/2019. NV DHHS will formalize written procedures to ensure compliance with CSBG terms and conditions by 9/30/2019. All subgrants awards will be adequately documented to depict year of grant award, period of performance, and carry over procedures and funds are appropriately documented. Additionally, the Federal Financial Report will be submitted within 90 days of the close of the grant award period.

OCS Decision:

NV DHHS actions address the intent of our required action. OCS considers the required corrective action in this report resolved but open pending completion of NV DHHS planned actions.

Opportunities for Improvement

- Item 1: NV DHHS has started to enhance grant fiscal oversight procedures. NV DHHS should consider formalizing a system to identify carryforward balances by year and by entity.
 - Recommended Action 1: Develop a mechanism to track and report on carryforward available balances by funding source period when disbursements of CSBG funds are made available to the eligible entities.
 - Recommended Action 2: Implement effective methods of communicating to the eligible entity the funding period of the grant by the subsequent year.

Grantee Response:

With the move to awarding by federal fiscal years, NV DHHS will ensure the tracking and reporting of carryforward balances by funding source period when disbursement of CSBG funds are made available to eligible entities.

The Office has implemented new subgrant templates along with procedural changes to ensure eligible entities are aware of the funding period of the grant by subsequent year.

OCS Decision:

OCS believes NV DHHS actions satisfy the intent of our recommendations and considers the recommendation in this report resolved but open pending completion of NV DHHS planned actions.

OCS believes NV DHHS actions satisfy the intent of our recommendations and considers the recommendation in this report resolved and closed.

ADMINISTRATIVE ANALYSIS

During our review of your programmatic operations, we found no issues of non-compliance or opportunities for improvement

SUMMARY

This is our Final Monitoring Report concerning this site visit.

We have considered your response and determined that your response has addressed our compliance concerns and reflects a reasonable interpretation of the federal CSBG law.

If you or your staff has any questions, please contact David Barrie, Financial Operations and Accountability Branch Chief at (202) 205-3589 or david.barrie@acf.hhs.gov.