



DEPARTMENT OF HEALTH & HUMAN SERVICES
Administration for Children and Families
Office of Community Services

Community Services Block Grant

Wisconsin State Assessment

On-Site Review

Final

September 24 – 28, 2012

Wisconsin State Assessment

Table of Contents

I. EXECUTIVE SUMMARY	1
State Assessment Authority	1
Methodology	2
II. ASSESSMENT AND FINDINGS	2
• FISCAL AND GOVERNANCE OPERATIONS	3
Administrative Monitoring and Accountability	4
Financial Monitoring and Accountability	4
OMB Circular A-133	6
Recapture and Redistribution	7
Carryover Balance	7
Public Hearings	7
Tripartite Boards	8
Administrative or Fiscal Operations	9
• PROGRAM OPERATIONS	9
Employment Programs	11
Education Programs	11
Housing Programs	11
Emergency Services Programs	12
Nutrition Programs	12
Self-Sufficiency Programs	12
Health Programs	13
Income Management Programs	13
Linkages	13
Programs for Youth and Seniors	14
Local Agency Uses of FY 2008 CSBG Funds	15
Results Oriented Management and Accountability (ROMA) System	15
III. ELIGIBLE ENTITIES ON-SITE REVIEW SUMMARIES	16
IV. ASSESSMENT FINDINGS AND RECOMMENDATIONS	17

Tables

Table 1 - Use of FY 2009 Funds	3
Table 2 - Wisconsin Monitoring Schedule	5
Table 3 - Client Characteristics and Statistics	20

Wisconsin Community Services Block Grant

I. Executive Summary

The Community Services Block Grant (CSBG) provides assistance to States and local communities working through a network of eligible entities and neighborhood based organizations¹ for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals 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 Wisconsin designated the Department of Children and Families (DCF) as the appropriate lead agency for the administration of CSBG. The Wisconsin CSBG provides funding, technical assistance, and support to 16 eligible entities and United Migrant Opportunity Services (the statewide organization serving seasonal or migrant farm workers). The eligible entities provide an array of services according to the Community Action Plan formulated to address local 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. The information contained in this report was compiled during a State Assessment (SA) of Wisconsin CSBG and its eligible entities as evaluated by Federal staff of the Division of State Assistance (DSA) in the Office of Community Services (OCS), an office within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS).

State Assessment Authority

SAs are conducted to examine the implementation, performance, compliance, and outcomes of a State's CSBG to certify that the State is adhering to the provisions set forth in Sections 678B and 676(b) of the Coats Human Services Reauthorization Act, Public Law 105-285. On August 25, 2010, OCS issued Information Memorandum (IM) 117 explaining that DSA would conduct on-site monitoring visits during Federal Fiscal Years (FFYs) 2011-2013. Federal staff conducted an on-site review of Wisconsin's CSBG and its eligible entities from September 24 – 28, 2012. The evaluation included interviews and analyses of the data collected. As per the CSBG statute, the SA examines the States assurances and its eligible entities' contract requirements of services including:

1. Activities designed to assist and coordinate services to low-income families and individuals, including those receiving assistance under the Temporary Assistance to Needy Families (TANF) program, the elderly, homeless, migrant and seasonal workers, and youth;
2. Coordination of service delivery to ensure linkages among services, such as to employment and training activities, with the Low-Income Home Energy Assistance Program (LIHEAP), faith-based and other community-based charitable organizations, and other social services programs;
3. Innovative approaches for community and neighborhood-based service provision;
4. Ability to provide emergency food and nutrition to populations served;

¹ The term "eligible entities" is used throughout this report to refer to non-profit or public agencies that meet the requirements of Section 673(1)(A) and Section 676B of the CSBG Act. Eligible entities include Community Action Agencies (eligible entities) and other eligible nonprofit and public agencies designated by the State.

5. Adherence to statutory procedures governing the termination and reduction of funding for the local entity administering the program;
6. Adequate and appropriate composition of Tripartite Board and eligible entity rules;
7. Appropriate fiscal and programmatic procedures to include a Community Action Plan from the eligible entities that identifies how the needs of communities will be met with CSBG funds; and
8. Participation in the performance measurement system, the Results Oriented Management and Accountability (ROMA) initiative.²

The SA also examines the fiscal and governance requirements of the eligible entities that provide CSBG-funded services in local communities as well as the State's oversight procedures for the eligible entities. State oversight procedures examined include:

1. Methodology for distribution and disbursement of CSBG funds to the eligible entities;
2. Fiscal controls and accounting procedures;
3. State administrative expenses;
4. Mandatory public hearings and legislative hearings conducted by the State Legislature; and
5. General procedures for governing the administration of CSBG, including Tripartite Board governance, non-discrimination provisions, and political activities prohibitions.

Methodology

The SA consisted of two levels of evaluation by OCS reviewers:

1. OCS reviewers examined the State-level assurances, fiscal and administrative governance requirements through data collection and interviews with State and eligible entity officials.
2. OCS reviewers assessed the State's monitoring procedures and results to determine eligible entities compliance with assurances and governance requirements by gathering information and engaging in data collection and interviews.

State-level interviews included the following DCF officials: Rebecca Brueggeman, Human Services Supervisor; Darlene Moss, CSBG Contract Manager; Bob Nikolay, Budget Director; Barbara Loescher, Audit Section Chief; Tim Meeusen, Auditor; Staci Browne, Senior Accountant; and Rebecca Mogensen, Senior Accountant.

OCS reviewers assessed the following eligible entities: Community Action Coalition for South Central Wisconsin, Inc., Madison, Wisconsin; Racine/Kenosha Community Action Agency, Racine, Wisconsin; and Community Relations-Social Development Commission, Milwaukee, Wisconsin.

OCS reviewers included: Isaac Davis, State Assessment Coordinator; Michael Pope, Financial Management Analyst; Emmanuel Djokou, Auditor; and Renee Harris, Auditor.

II. Assessment and Findings

The OCS reviewers collected information pertaining to the fiscal and programmatic procedures of the State agency, as well as other general information about the State's CSBG including:

² Some assurances have been combined where appropriate.

- Administrative, program, and financial operations for the State and the eligible entities assessed;
- Brochures and literature on services provided;
- Most recent CSBG financial summary reports for both the State and eligible entities;
- Standard Form (SF) 269 Financial Status Report (FSR) for Fiscal Years (FYs) 2009-2010 showing total funds authorized;³
- Audited Financial Statements for both the State and eligible entities;
- Wisconsin State CSBG Plan; and
- The State of Wisconsin Accounting and Financial Policy and Procedures Manual.

Fiscal and Governance Operations

The CSBG statute requires each State to designate a lead agency to administer CSBG, and for the lead agency to provide oversight of the eligible entities that administer CSBG in the communities. The Governor designated DCF as the lead agency to administer CSBG. In FY 2009, the State allocated 91 percent of CSBG funds to eligible entities, 7 percent for discretionary funds and 2 percent for grantee administrative costs.

In order to verify that fiscal controls and adequate accounting practices were in place, OCS reviewers examined various transactions and monthly financial reports with the State. The Community Aids Reporting System (CARS) was initially used by the State. CARS is a computer system administered by the State to manage contracts and reimburse counties, local agencies, and vendors for the State’s share of community aids contract costs. CARS records all expenditures reported by these entities and calculates amounts to be paid under the contracts. During FY 2009, CARS was replaced by a new computer system called Central Office Reporting (COR). The State operates on a reimbursement system, and monthly reports are the primary tools for evaluating allowable expenditures and tracking budget line items. Monthly reports are reviewed by State fiscal staff and subsequently reviewed by the Fiscal Manager before payments are processed. OCS reviewers examined the monthly reports approval process and a sampling of the subsequent CSBG disbursement to entities on-site. The OCS reviewers found the State to be in compliance and had no issues for technical assistance. Table 1 illustrates the distribution of Federal funds allocated in Wisconsin.

Table 1

Use of FY 2009 Funds: Wisconsin		
Uses of Funds	Amount Expended	Percentage of Expenditures
Grants to Local Eligible Entities	\$7,694,954	91%
Administrative Costs	\$ 77,544	2%
Discretionary Projects	\$ 593,871	7%
Total Used in FY 2009	\$8,466,369	100%

According to the State, administrative expenditures were used for the management and monitoring of CSBG. Discretionary funds were disbursed to the eligible entities for their use based on their community needs assessment. In 2009, the State provided about four percent of its CSBG

³ The SF 269—Short Form is used to report the amount of program income earned and the amount expended.

allocation to its 11 Federally-recognized sovereign tribal bands and nations to serve their members and others in need in their communities. In addition, the State provided about two percent of its CSBG allocation to Limited Purpose agencies to help in obtaining adequate, safe and sanitary housing and acquire appropriate wastewater services.

OCS reviewers verified, through the State's General Ledger, the allocation, expenditures, and how the State used their discretionary funds. OCS reviewers determined the State's use of discretionary funds were in accordance with Section 675(b)(1) of the CSBG statute.

Administrative Monitoring and Accountability

The CSBG statute requires States to monitor local agencies to determine whether they meet performance goals, administrative standards, and financial management standards, as well as other State-defined criteria. The State has procedures in place to ensure eligible entities have a system of governance, financial and human resource management, program and service delivery, and community relations. The State requires the eligible entities to submit applications to receive their CSBG allotments annually. The process of approval is based on: 1) standard forms; 2) governing Board approval; and 3) information about how the entity will provide services in their communities.

Through review of State documentation, interviews with State employees and observation of the use of the State's Administrative and Accounting Manual, Administrative and Financial Services, and the Information Technologies policies and procedures, OCS reviewers were able to determine that internal controls for accounting and information systems were in place. However, the State does not have policies and procedures in place, specifically for CSBG monitoring.

Financial Monitoring and Accountability

States are required by Federal statute to perform monitoring duties in a full on-site review at least once every three years for each eligible entity. In Wisconsin, once a monitoring report is generated and the final copy is presented to the reviewed agency, it has 30 days to respond to recommendations and requirements. An agency's response to recommendations is required, though action on those recommendations is at the discretion of the agency. However, any findings resulting in required action similarly require a response within 30 days, which must outline a plan of action for rectifying the problem and a timeline for implementing that action. The CSBG Coordinator is responsible for follow-up on both recommendations and requirements, and if necessary, will travel to the agency to ensure such action is appropriately implemented.

Section 678B(a)(1) requires that the State shall conduct the following reviews of eligible entities:

- (1) A full on-site review of each such entity at least once during each three-year period.
- (2) An on-site review of each newly-designated entity immediately after the completion of the first year in which such entity receives funds through CSBG.

OCS verified whether on-site monitoring reviews were conducted to meet the following objectives: 1) ensure programmatic and contractual compliance through the review of agency records and interviews with agency personnel, Board members and clients; 2) clarify discrepancies that cannot be resolved from the program report review; 3) follow-up on program and personnel complaints, made directly or indirectly; and 4) comply with an

agency's request for an on-site visit. A comprehensive CSBG monitoring tool is required to be used in eligible entity monitoring visits. Each applicable area of this document is designed to be completed with all supporting documentation retained in the State office files. Table 2, below, illustrates the State's monitoring schedule indicating the eligible entities visited in accordance with CSBG statute.

Table 2

Wisconsin Monitoring Schedule		
Agency Name	On-site Visits	Counties Served
Advocap, Inc.	3/24-26/2010	Fond du Lac, Winnebago & Green Lake
CAP Services, Inc.	3/10-12/2010	Portage, Waupaca, Outagamie, Waushara & Marquette
Central Wisconsin Community Action Council, Inc.	5/12-14/2010	Adams, Columbia, Dodge, Juneau & Sauk
Community Action Coalition for South Central Wisconsin, Inc.	2/1-3/2010	Dane, Jefferson & Waukesha
Community Action of Rock and Walworth Counties	1/14-19/2010	Rock, Walworth
Indianhead Community Action Agency	2/15-17/2010	Burnett, Washburn, Sawyer, Rusk, Taylor & Clark
Lakeshore Community Action Program	2/10-12/2010	Door, Kewaunee, Manitowoc & Sheboygan
Northeast Wisconsin Community Action Program (NEWCAP)	5/19-21/2010	Brown, Shawano, Oconto, Menominee, Langlade, Oneida, Vilas, Forest, Florence & Marinette
North Central Community Action Program (NCCAP)	6/2-4/2010	Marathon, Wood & Lincoln
Northwest Community Services Agency	1/20-22/2010	Douglas, Bayfield, Ashland, Iron & Price
Racine/Kenosha Community Action Agency	3/24-26/2010	Racine & Kenosha
Community Relations – Social Development Commission	2/10-12/2010	Milwaukee
Southwest CAP	6/9-11/2010	Richland, Iowa, Grant, Lafayette & Green
Western Central Community Action Agency (WestCAP)	1/27-29/2010	Chippewa, Dunn, Pierce, St. Croix, Polk & Barron
Western Dairyland Economic Opportunity Council	1/20-21/2010	Trempealeau, Buffalo, Eau Claire & Jackson
Couleecap, Inc.	4/14-16/2010	La Crosse, Monroe, Vernon & Crawford
Foundation for Rural Housing	N/A	Statewide
Coalition of Wisconsin Aging Groups	N/A	Statewide
United Migrant Opportunity Services	3/12/2009	Statewide
Tribes	N/A	Statewide

OCS reviewers examined the State's monitoring procedures and a representative sample of completed monitoring tools, reports, backup documentation, and corrective action letters. Through documentation reviews and interviews with State and eligible entity staff responsible for monitoring, OCS reviewers determined that the State performed the required onsite program review of eligible entities at least once during each three year period. However, the State did not perform any fiscal monitoring of entities that received CSBG funds.

The State's CSBG program year is from July 1 through June 30. Therefore, in the last quarter of the State's program year, any costs incurred by the entities prior to the first quarter are reimbursable subject to the State's receipt of FFY funds. Payments are made for the first three months of contracts before expenditure reports are due to enable cash flow to the providers. Reports are normally due one month after the end of the month for which the report is being submitted (e.g. January's report is due March 1).

OCS reviewers examined the State's internal audit process. State auditors are required to examine all State funding made to the eligible entities dating back to the previous State audit. Any audit finding(s) are reported to the eligible entity Executive Director and Board of Directors. The eligible entity's Board of Directors are required to respond to the notification letter within 30 days with a written Corrective Action Plan that addresses the findings. Audit Office staff must review and approve the Corrective Action Plan. The eligible entity Board of Directors failure to respond within the allotted time frame may result in disciplinary actions being taken by the State, up to and including funds de-obligation. The lead auditor is the State official responsible for audit follow-up activities, including resolution and corrective action monitoring. Technical assistance is available through the State on a case-by-case basis for eligible entities with audit findings.

The OCS reviewers noted the State did not follow up with the sub-recipients' Single Audit findings in FY 2009. Therefore, the State did not monitor the activities of sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws.

Office of Management and Budget (OMB) Circular A-133, Single Audit Act of 1997

According to 45 CFR §96.31, grantees and sub-grantees are responsible for obtaining audits in accordance with OMB Circular A-133, "*Audits of State, Local Governments, and Non-Profit Organizations.*" Agencies expending \$500,000 or more of Federal funds in any year must contract with an independent auditor to review their financial statements and Federal expenditures. The auditing firm for the State conducts the fieldwork, issues the audit report, and submits the required reporting forms to the Federal Audit Clearinghouse (FAC) with reportable findings. The State CSBG Plan submitted to OCS requires that an audit report is prepared annually.

State audits are performed to determine whether: 1) costs and program income activities were properly summarized and reported; 2) internal controls meet the State's standards; 3) costs charged to the grant were allowable; and 4) the State is in full financial compliance. The State audits are conducted under the standards of the Institute of Internal Auditors. In the performance of their duties, the State's auditing firm also considers the government auditing standards promulgated by the Comptroller General, U.S. Government Accountability Office. OCS reviewers noted no findings in the State's A-133 audit reports pertaining to CSBG. OCS reviewers examined the FAC Data Collection Form for reporting on Audits of States, local governments, and non-profit organizations found on the FAC website. OCS reviewers found the State forms were written and submitted in accordance with the Federal requirements. OCS reviewers also recognized that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board.⁴

⁴ The authoritative bodies of establishing accounting principles and financial reporting standards are the Governmental Accounting Standards Board (State and local governments) and the Financial Accounting Standards Board (nongovernmental entities).

As noted in the Fiscal Monitoring and Accountability section previously the State failed to follow up with its eligible entities Single Audit findings in FY 2009. We also noted that part of the State's audit procedures are outdated. The procedures refer to the previous OMB Circular A-133 expenditure threshold of \$300,000 a year or more which was required from non-Federal entities to have a single or program-specific audit conducted for that year.

Recapture and Redistribution

Language in Section 675(C)(3) of the CSBG Act permits States the discretion to recapture and redistribute unobligated funds in excess of 20 percent of the amount distributed to an eligible entity to another eligible entity or to a private nonprofit organization. However, since 2001, Congressional Appropriation language has provided instruction that supersedes the language in Section 675(C)(3) of the enabling legislation. States are required to comply with annual appropriation instructions requiring that, "to the extent Community Services Block Grant funds are distributed as grants by a State to eligible entities provided under the Act, and have not been expended by such entity, the funds shall remain with such entity for carryover into the next fiscal year for expenditure by such entity for program purposes." OCS reviewers found that State practices were compliant with the appropriation requirements

Carryover Balance

In accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4), respectively, the grantee shall submit annual program progress and financial reports using OMB Standard Form 269A Financial Status Report (FSR) (short form). The FSRs are due within 90 days of the close of the applicable statutory grant periods. Failure to submit reports on time may be the basis for withholding financial assistance payments, suspension, or termination of funding. During our assessment, OCS reviewers noted the State submitted its FYs 2009 and 2010 FSRs in accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4).

Grantees are required to adhere to a provision of the law under the Consolidated Appropriations Act of 2005, which requires that to the extent FY 2009 CSBG funds are distributed by a State to an eligible entity and have not been expended by such eligible entity, they shall remain with such eligible entity for carryover and expenditure into the next fiscal year.

The State reported a carryover balance of \$341,992 for FY 2009. No carryover balance was reported for FY 2010. Wisconsin's policy on carryover funds states agencies may request to carryover unexpended CSBG funds to the following year; the CSBG coordinator reviews the requests and discusses them with agencies as necessary. If approved, the State amends the current year contract and adds the carryover amount to the subsequent grant year. Funds must be expended within the required Federal funding period.

Public Hearings

According to Section 676(a)(2)(B), at the beginning of each fiscal year, a State must prepare and submit an application and State Plan covering a period of at least one year and no more than two fiscal years. Each year the State's CSBG plan is sent to the CSBG Advisory Committee, the State General Assembly, and all eligible entities. In conjunction with the development of the State Plan, the State holds at least one public hearing. The CSBG Public Hearing was held on Friday, August 1, 2008 in Room H203, 201 East Washington Avenue, Second Floor (GEF 1 Building), Madison,

WI. The notice of the public hearing was published by the State Editor, The Milwaukee Journal Sentinel; State Editor, The Capital Times; State Editor, the Wisconsin State Journal; Editor, The Wheeler Report; and Wisconsin's Community Action Agencies and Limited Purpose Agencies, and Wisconsin Community Action Program Association. The notice was also posted at the State Capitol Building and DCF Secretary's Office. OCS reviewers assessed the State Public Hearing procedures and determined that the State was in compliance with Section 676, which requires statewide distribution of notice.

Tripartite Boards

The State requires eligible entities to submit a listing of their Tripartite Board membership prior to being approved to administer CSBG funding. Eligible entities must comply with Section 676B of the CSBG statute, which requires that members are chosen in accordance with democratic selection procedures to assure that not less than one-third of its members are representatives of low-income individuals and families who reside in the neighborhoods served. One-third of its members are public officials and the remainder of its members represent business, industry, labor, religious, law enforcement, education, or other major groups interested in the community served. Members must actively participate in the planning, implementation, and evaluation of the program that services their low-income communities.

The State requires the eligible entities to have their Tripartite Board certified annually to ensure the Board has received orientation and/or training, which outlines and describes their responsibilities and liabilities. The certification of the Tripartite Board training must be documented in the minutes. The approved minutes must include the type of training, date(s) of the training, and meeting attendees. Additionally, certification must include an annual audit of services, expenditures, and reporting requirements for State, Federal, and other funding sources. These requirements are included in the contract signed between the eligible entities and the State, the State Plan, and the CSBG statute. The State-outlined responsibilities of the Tripartite Board include:

- Ensuring that all administrative requirements are met;
- Establishing policies, rules, regulations and by-laws consistent with the agency's mission;
- Establishing accounting systems and fiscal controls consistent with generally accepted accounting principles;
- Establishing policies prohibiting nepotism;
- Avoiding conflict of interest;
- Involvement in directing the agency's operation through regular board meetings; and
- Acceptance of liability for and resolving any questioned cost identified by audits.

To demonstrate full compliance with Tripartite Board requirements the State CSBG office monitors board composition and follows-up with the eligible entities when representation needs to be adjusted. The State assured OCS that the eligible entities adhere to the statute regarding Tripartite Boards by providing information regarding the requirements of a Tripartite Board to each eligible entity in two documents: the CSBG Grant Agreement, and the CSBG assurances submitted with the State Plan each year. However, OCS reviewers noted the State did not have policies and procedures on the Tripartite Board certifications or requirements specific to CSBG statute.

Administrative or Fiscal Operations

The State is required to maintain up-to-date formal written financial policies and procedures that meet fiscal standards set forth by Federal regulations. In accordance with Federal Terms and Conditions, financial reports are required annually, no later than 90 days after the end of the fiscal year. The annual on-site compliance review conducted by the State should determine compliance to specific areas including financial compliance. Failure to comply with State and Federal reporting requirements may result in corrective action including suspension of grant awards.

According to 45 C.F.R. § 96.30(a) fiscal and administrative operations require: (a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to; (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 and prohibitions of the statute authorizing the block grant.

According to the CSBG statute, the State is required to have processes in place to provide oversight of CSBG funds. OCS reviewers were able to adequately validate the following: (1) all requested documents, (2) sampling of the State's General Ledger transactions, and (3) the State's accounting reports, when requested.

OCS reviewers' analyses of the State's records and procedures that included administrative, financial, and programmatic operations, determined that the State did not demonstrate reasonable internal controls to administer CSBG. OCS reviewers noted the State does not have written policies and procedures. According to the State, the DCF is relatively new, having been established in 2008. The employees are also new to CSBG; most have been employed in/after 2009. The State was unable to locate any policies and procedures from the previous administration. The State's lack of internal controls reduces reasonable assurance that important objectives are met including effectiveness and efficiency of operation; reliability of financial reporting; and compliance with applicable laws and regulations. The State's lack of policies and procedures to meet the mission, goals, and objectives does not support effective stewardship of public resources.

Through a review of the State's documents and interviews with State staff responsible for the administration of CSBG, OCS reviewers determined that during FY 2009, the State did not have written policies and procedures in the following areas:

- Section 676A Designation and Redesignation of Eligible Entities in Unserved Areas;
- Section 678A Training, Technical Assistance, and Other Activities;
- Section 678C Corrective Action; Termination and Reduction of Funding;
- Section 678F Limitation on Use of Funds; and
- Section 678G Drug and Child Support Services and Referrals.

Program Operations

The State reported demographic information on individuals who received services using CSBG funds in FY 2009. During this SA, agency records were reviewed to assess actual services provided. The assessment instrument addressed the following areas: client services received, expenditures, staff responsibility, Board governance, by-laws, Board meeting minutes, Board manual, personnel, planning and operations, CSBG assurances, fiscal operations, Training and

Technical Assistance (T/TA) grants, T/TA grant reviews, and agency postings (i.e., worker's compensation, client appeals).

The eligible entities operate numerous programs designed to meet the needs identified in their respective service areas. As the demographic data shows different local needs, not all eligible entities can provide extensive services in all priority areas.

The State and eligible entities categorize their expenditures of CSBG funds according to the statutory list of program purposes. The categories are as follows:

- Securing and maintaining employment;
- Securing adequate education;
- Improving income management;
- Securing adequate housing;
- Providing emergency services;
- Improving nutrition;
- Creating linkages among anti-poverty initiatives;
- Achieving self-sufficiency;
- Obtaining health care; and
- Programs for youth and seniors

The State requires agencies receiving CSBG funds to prepare and submit an application referred to as a Community Action Plan to the State. The process requires eligible entities to submit an application to the State for approval based on: 1) standard forms; 2) governing board approval; 3) information based on priority needs; and 4) information about how the entities will provide services in their communities. Table 3 (refer to **Appendix 1** on page 19) shows the reported characteristics of individuals and families served throughout the State.

CSBG statute outlines the following requirements for the State's eligible entities:

- A community needs assessment;
- A description of the service delivery system for low-income individuals and families in the service area;
- A description of linkages that will be developed to fill gaps in service through information, referral, case management, and follow-up consultations;
- A description of how funding will be coordinated with other public and private resources; and
- A description of outcome measures for providing services and promoting self-sufficiency and Wisconsin community revitalization.

The CSBG Client Characteristics and Statistics reported by State are found in Table 3 (**Appendix 1** on page 19).

The program activities associated with CSBG funds as used by the eligible entities in FY 2009 are detailed below:

Employment Programs

The State reported spending \$330,321 in CSBG funds to support a range of services designed to assist low-income individuals in obtaining and maintaining employment. These services may include:

- Support for TANF recipients who are preparing to transition to self-sufficiency or for former TANF recipients who need additional support to find or maintain employment;
- Support for job retention, including counseling, training, and supportive services, such as transportation, child care, and the purchase of uniforms or work clothing;
- Skills training, job application assistance, resume writing, and job placement;
- On-the-job training and opportunities for work;
- Job development, including finding employers willing to recruit through the agency, facilitating interviews, creating job banks, providing counseling to employees, and developing new employment opportunities in the community;
- Vocational training for high school students and the creation of internships and summer jobs; and
- Other specialized adult employment training.

Education Programs

The State reported spending \$1,250,041 in CSBG funds to provide education services. These services may include:

- Adult education, including courses in English Second Language (ESL) and General Equivalency Diploma (GED) preparation with flexible scheduling for working students;
- Supplemental support to improve the educational quality of Head Start programs;
- Child care classes, providing both child development instruction and support for working parents or for home child care providers;
- Alternative opportunities for school dropouts and those at risk of dropping out;
- Scholarships for college or technical school
- Guidance regarding adult education opportunities for the community;
- Programs to enhance academic achievement of students in grades K-12, while combating drug or alcohol use and preventing violence; and
- Computer-based courses to help train participants for the modern day workforce.

Housing Programs

The State reported spending \$884,961 in CSBG funds to provide housing programs to improve the living environment of low-income individuals and families. These services may include:

- Homeownership counseling and loan assistance;
- Affordable housing development and construction;
- Counseling and advocacy about landlord/tenant relations and fair housing concerns;
- Assistance in locating affordable housing and applying for rent subsidies and other housing assistance;
- Transitional shelters and services for the homeless;
- Home repair and rehabilitation services;

- Support for management of group homes; and
- Rural housing and infrastructure development.

Emergency Services Programs

The State reported spending \$1,690,965 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance and intervention with landlords;
- Cash assistance/short-term loans;
- Energy crisis assistance and utility shut-off prevention;
- Emergency food, clothing and furniture;
- Crisis intervention in response to child or spousal abuse;
- Emergency heating system repair;
- Crisis intervention telephone hotlines;
- Linkages with other services and organizations to assemble a combination of short-term resources and long-term support; and
- Natural disaster response and assistance.

Nutrition Programs

The State reported spending \$512,283 in CSBG funds to support nutrition programs. These services may include:

- Organizing and operating food banks;
- Supporting food banks of faith-based and civic organization partners with food supplied and/or management support;
- Counseling families on children's nutrition and food preparation;
- Distributing surplus United States Department of Agriculture commodities and other food supplies;
- Administering the Women, Infants and Children (WIC) nutrition program;
- Preparing and delivering meals, especially to the homebound elderly;
- Providing meals in group settings;
- Initiating self-help projects, such as community gardens, community canneries, and food buying groups to help families and individuals preserve fruit and vegetables;
- Nutrition information/referral/counseling;
- Hot meals, such as breakfasts, lunches, or dinners for congregate or home delivery meals; and
- Nutritional training in home economics, child and baby nutrition, diets and available Federal or State programs.

Self-Sufficiency Programs

The State reported spending \$388,336 in CSBG funds on self-sufficiency programs to offer a continuum of services to assist families in becoming more financially independent. These services may include:

- An assessment of the issues facing the family or family members, and the resources the family brings to address these issues;
- A written plan for becoming more financially independent and self-supporting; and
- Services that are selected to help the participant implement the plan (i.e. clothing, bus passes, emergency food assistance, career counseling, family guidance counseling, referrals to the Social Security Administration for disability benefits, assistance with locating possible jobs, assistance in finding long-term housing, etc.)

Health Programs

The State reported spending \$195,561 in CSBG funds on health initiatives to address gaps in the care and coverage available in the community. These services may include:

- Recruitment of uninsured children to a State insurance group of State Children's Health Insurance Program (SCHIP);
- Recruitment of volunteer medical personnel to assist uninsured low-income families;
- Prenatal care, maternal health, and infant health screening;
- Assistance with pharmaceutical donation programs;
- Health-related information for all ages, including Medicare/Medicaid enrollment and claims filing;
- Immunization;
- Periodic screening for serious health problems, such as tuberculosis, breast cancer, HIV infection, and mental health disorders;
- Health screening of all children;
- Treatment for substance abuse;
- Other health services including dental care, health insurance advocacy, CPR training, education about wellness, obesity, and first-aid; and
- Transportation to health care facilities and medical appointments.

Income Management Programs

The State reported spending \$1,195,527 in CSBG grant funds on income management programs. These services may include:

- Development of household assets, including savings;
- Assistance with budgeting techniques;
- Consumer credit counseling;
- Business development support;
- Homeownership assistance;
- Energy conservation and energy consumer education programs, including weatherization;
- Tax counseling and tax preparation assistance; and
- Assistance for the elderly with claims for medical and other benefits.

Linkages

The State reported spending \$1,676,760 in CSBG funds on linkage initiatives that involve a variety of local activities because of the CSBG statutory mandate to mobilize and coordinate community responses to poverty. These services may include:

- Coordination among programs, facilities, and shared resources through information systems, communications systems, and shared procedures;
- Community needs assessments, followed by community planning, organization, and advocacy to meet these needs;
- Creation of coalitions for community changes, such as reducing crime or partnering businesses with low-income neighborhoods in order to plan long-term development;
- Efforts to establish links between resources, such as transportation and medical care of other needed services and programs that bring services to the participants, for example, mobile clinics or recreational programs, and management of continuum-of-care initiatives;
- The removal of the barriers such as transportation problems, that keep the low-income population from jobs or from vital every days activities; and
- Support for other groups of low-income community residents who are working for the same goals as the eligible entities.

At the local level, eligible entities coordinate CSBG with labor programs, transportation programs, educational programs, elderly programs, energy programs, community organizations, private businesses, churches, the United Way, and various youth organizations and programs. A State's eligible entity will coordinate with other services providers and act as a focal point for information on services in their local area. The eligible entity identifies gaps in services and works with other providers to fill those gaps. The entity has organized meetings and participates in task forces with local service provider groups.

Programs for Youth and Seniors⁵

The State reported spending \$459,514 in CSBG funds on the programs serving youth and spending \$241,121 on programs serving seniors. Services noted under these categories were targeted exclusively to children and youth from ages 6-17 or persons over 55 years of age. Seniors' programs help seniors to avoid or address illness, incapacity, absence of a caretaker or relative, prevent abuse and neglect, and promote wellness. These services may include:

Youth services may include:

- Recreational facilities and programs;
- Educational services;
- Health services and prevention of risky behavior;
- Delinquency prevention; and
- Employment and mentoring projects.

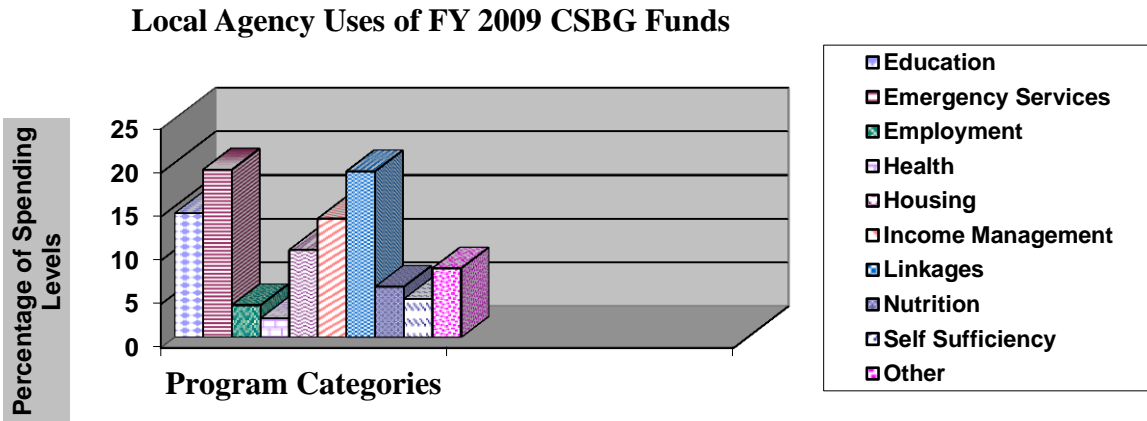
Senior services may include:

- Home-based services, including household or personal care activities that improve or maintain well-being;
- Assistance in locating or obtaining alternative living arrangements;
- In-home emergency services or day care;
- Group meals and recreational activities;
- Special arrangements for transportation and coordination with other resources;

⁵ Programs for Youth and Seniors are recorded separately in the ROMA and therefore not listed on the local agency use of funds chart

- Case management and family support coordination; and
- Home delivery of meals to insure adequate nutrition.

The chart below also illustrates the proportion of CSBG local expenditures reported by the State.



ROMA System

Beginning in FY 2001, States were required to participate in a system to measure the extent to which programs are implemented in a manner that achieves positive results for the communities served. States may participate in the model evaluation system designed by OCS in consultation with the CSBG network called ROMA. Alternatively, States may design their own similar system. States are to report to OCS their progress on the implementation of performance measurement practices.

The 2009 Wisconsin State plan outlines the Accountability and Reporting requirements for its eligible entities. The State provided information through the CSBG Information Survey (IS) on the funding level and uses of CSBG funds in 2009, the sources and uses of other funding administered by the CSBG local network, the program activities of the network, the results of these activities, and the number of demographics of clients served. The Wisconsin State Community Action Partnership (WISCAP) is contracted by the State to provide ROMA training as well as prepare reports for submission to the National Association for State Community Services Programs (NASCSPP).

OCS reviewers noted there was no standard system utilized by the eligible entities to track and report ROMA data to the State during FY2009. Each eligible entity established a system to track and report ROMA data which was submitted to the State as needed. Once the data was submitted, it was reviewed by the CSBG Manager and State Monitors then submitted to the National Association for Community Services Program (NASCSPP).

ROMA training is provided through NASCSPP conferences on the State level, and through the local Community Action Partnership (CAP) conferences held for Wisconsin's eligible entities.

III. Eligible Entity Onsite Review Summaries

Community Action Coalition for South Central Wisconsin, Inc.

Community Action Coalition for South Central Wisconsin, Inc. (CAC) was organized as a non-profit organization in 1966. CAC was formed to develop and provide resources for the purpose of assisting low-income individuals through a variety of programs. CAC's administrative office is located in Madison, Wisconsin and provides services for Dane, Jefferson and Waukesha counties. CAC is primarily supported through Federal, State, and local government grants, of which approximately 24 percent of total agency revenue is received from the State of Wisconsin, Department of Health and Family Services under CSBG. In 2009, CAC had a total operating budget of \$4,772,060 including a CSBG budget of \$835,008. CSBG funding provided direct services in education, emergency, income management, youth and linkages to over 16,000 individuals. CSBG funds were also used as a catalyst to start and support many programs within the agency. CAC then sought private and State Government funding for continued fiscal support to free up CSBG funding for other needs within the community. The organization mission is "to develop economic and social capacities of individuals, families and communities to reduce poverty."

Community Relations – Social Development Commission

Community Relations – Social Development Commission (SDC) was created in 1963 as an Intergovernmental Public Commission under Section 66.0125 of the Wisconsin State statutes. In 1964, SDC was designated as the CAA for Milwaukee County. Commission members represent three sectors of the community – the public sector, with representatives from the City of Milwaukee, Milwaukee County, Milwaukee Public Schools, and Milwaukee Area Technical College; low-income representatives from six geographically designated areas of the county; and representatives from the private sector, representing business, labor, the religious community, and private charitable organizations. SDC is an intergovernmental planning and programming organization, which studies human problems, proposes solutions, and delivers services to help low-income people to become independent and self-reliant. As a CAA, SDC is responsible for coordinating and implementing Federal anti-poverty programs in Milwaukee County. In 2009, SDC had a total operating budget of \$39,094,043 including a CSBG budget of \$2,233,881. Of the 500 employees in 2009, 38 were paid through CSBG at a rate of \$794,712. In 2009, CSBG funding provided direct services in education, emergency, income management, youth and linkages to over 71,000 individuals. The organization mission is to "empower Milwaukee County residents with the resources to move beyond poverty." This is done through programs such as transitional living, youth and family development, GED training and testing and many others.

Racine/Kenosha Community Action Agency, Inc.

Racine/Kenosha Community Action Agency, Inc. (the "Organization") was organized as a non-profit organization in 1966. The Organization was formed to develop and provide resources for the purpose of assisting low-income individuals through a variety of programs in Racine and Kenosha counties of Wisconsin. The Organization is primarily supported through Federal and State government grants. In FY 2009, the Organization had a total operating budget of \$9,532,351 including a CSBG budget of \$435,751. The Organization's mission is "to focus and direct all available resources in order to enable low-income individuals, in rural and urban areas to attain the

skills, knowledge and motivation to achieve self-sufficiency.” This is accomplished through programs in the community such as the food pantry, family support programs and financial literacy.

IV. Assessment Findings and Recommendations

Through a review of the State policies, procedures, and documentation, OCS reviewers determined that the State was not in full compliance with the CSBG statute, the Terms and Conditions of CSBG, and other applicable policies. The State needs to conduct a comprehensive on site monitoring that includes both programmatic and financial areas that assures all eligible entities are monitored for compliance with State and Federal statutes. Through a review of the accounting procedures, OCS reviewers determined that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board. However, OCS reviewers determined that there were three findings of noncompliance and have three recommendations for the State.

Finding One:

In accordance with Section 678B Monitoring of Eligible Entities – in order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of a State, the State shall conduct a full onsite review of such entity at least once during each three year period. We noted that the State performed the required onsite review of eligible entities within the three years. However, the State did not perform fiscal monitoring of all entities that received CSBG funds.

Recommendation:

OCS recommends the State:

- 1.1** Strengthen internal controls to implement accountability procedures such as creating practices, protocols and policies that ensure financial monitoring is conducted at least once every three-years for each eligible entity.

State Comment:

DCF agrees with this recommendation and will take the following actions:

- 1. DCF’s CSBG Contract Manager and Fiscal Integrity and Audit Section staff will complete the National Association for State Community Services Programs (NASCSPP’s) webinar training series on CSBG Monitoring, which includes several sessions on fiscal monitoring. Timeframe for completion: April 2, 2014.**
- 2. DCF’s CSBG Contract Manager will work with the Fiscal Integrity and Audit Section staff to redesign the State’s CSBG Monitoring Tool to ensure that fiscal monitoring is an integral part of all future onsite monitoring reviews. Timeframe for completion: April 30, 2014.**

Finding Two:

We noted during our review that the State did not follow up with the sub-recipients Single Audit findings in FY 2009. Therefore, the State did not monitor the activities of sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws.

Therefore, the State did not comply with OMB Circular A-133, Subpart D, Section 400(d) - Pass-through entity responsibility, and its own Audit Review procedures policies. We also noted that part of the State's audit review procedure is outdated. It refers to the previous OMB Circular A-133 audit threshold requirement of \$300,000 a year to have a single or program-specific audit conducted for that year. For fiscal years ending after December 31, 2003, the threshold was raised from \$300,000 to \$500,000.

Recommendation:

OCS recommends the State:

- 2.1 Implement written policies, procedures and practices for performing corrective actions to ensure that audit findings, deficiencies, and/or weaknesses are resolved.
- 2.2 Update its Guidance for Reviewing and Resolving Audits which was issued in Spring of 2000.

State Comment:

DCF agrees with this recommendation and will take the following actions:

1. **DCF will establish and implement written policies and procedures for monitoring DCF will update sub-recipients that have audit findings, deficiencies, and/or weaknesses to ensure that the sub-recipients have taken corrective actions. Timeframe for completion: April 30, 2014.**
2. **DCF will update the Guidance for Reviewing and Resolving Audits to include the correct audit threshold level. Timeframe for completion: April 30, 2014.**

Finding Three:

The State did not have adequate policies and procedures in place to address the following sections of the CSBG Act:

- a) Section 676A Designation and Redesignation of Eligible Entities in Unserved Areas,
- b) Section 676B Tripartite Boards,
- c) Section 678A Training, Technical Assistance, and Other Activities,
- d) Section 678B Monitoring of Eligible Entities,
- e) Section 678C Corrective Action; Termination and Reduction of Funding,
- f) Section 678F Limitations on Use of Funds, and
- g) Section 678G Drug and Child Support Services and Referrals

Recommendation:

OCS recommends the State:

- 3.1 Strengthen internal controls by developing and implementing comprehensive policies and procedures to address the requirements set forth in the CSBG Act.

State Comment:

DCF agrees with this recommendation and will take the following action:

- 1. DCF is in the process of establishing a comprehensive CSBG Policy and Procedures Manual that addresses all requirements set forth in the CSBG Act. Timeframe for completion: June 30, 2014.**

OCS Comment:

During the corrective action process, OCS will review the state's monitoring procedures to ensure fiscal monitoring for eligible entities are being conducted; OCS will review the audit resolution procedures developed by the State to ensure that sub-recipient audit findings are resolved; OCS will also review the newly developed policy and procedures manual to ensure compliance with policy set for in the CSBG Act and other Federal guidance.

This report is now considered final. If you have any questions or comments, please contact:

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Table 3

CSBG Client Characteristics and Statistics Reported by State ⁶	
Race/Ethnicity By Number of Persons:	
Hispanic or Latino	26,135
African American	53,862
White	185,038
Other	14,308
Multi-race	11,828
Education: Years of Schooling by Number of Persons:	
0-8 years	4,642
9-12, non graduates	14,344
High school graduate/GED	29,605
12+ some postsecondary	10,085
2 or 4 year college graduates	6,090
Insured/Disabled:	
No Health Insurance	24,061
Disabled	27,286
Surveyed About Insurance	68,769
Surveyed About Disability	130,033
Family Structure:	
Single parent/Female	25,886
Single parent/Male	5,875
Two Parent Household	28,033
Single Person	62,242
Two Adults, No Children	28,033
Family Housing by Number of Families:	
Own	28,297
Rent	57,831
Homeless	6,345
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	61,228
51% to 75%	21,090
76% to 100%	20,538
101% to 125%	9,151
126% to 150%	6,416
151% or more	4,093
Age	
0-5	45,520
6-11	35,842
12-17	31,486
18-23	28,414
24-44	76,177
45-54	32,456
55-69	25,063
70+	15,562
Totals	290,520
Gender	
Male	105,356
Female	136,570
Totals	241,926

⁶ The CSBG Client Characteristics and Statistics was retrieved from the CSBG-IS data.