



2019 Monitoring Process Policy - Financial Component

Introduction:

In addition to the three-tiered monitoring that will be conducted by All Chicago CoC Program staff, All Chicago's finance team will also conduct separate monitoring of agencies based on a financial risk assessment.

Timeline:

Financial monitoring will begin in June and will continue through October 2019. Currently, All Chicago has the capacity to monitor 10 agencies.

Team Roles and Responsibilities: Monitoring will be conducted by All Chicago's Finance Department.

- 1 Finance Staff: To perform financial desk audit.

Selection:

As part of the 2019 intent to renew process, we reviewed each agency's financial statement and single audit to assess the compliance risk within the continuum. Each agency was given a risk score based on a point system. For 2019, we formed a CFO workgroup of financial executives from representative providers to review and approve the risk scoring process. The scoring methodology is explained in detail in the 2019 Intent to Renew Instruction Manual.

Agencies were classified as follows:

- Low Risk: 0 – 1 point
- Medium Risk: 2 – 3 points
- High Risk: 4 points or more

For 2019 we have selected all agencies receiving a risk score of 3 or above, for a total of 5. Because All Chicago has the capacity to monitor up to 10 agencies, All Chicago may select other agencies for financial monitoring based on other risk factors, such as findings from a program monitoring, length of time since the last monitoring, findings from the intent to renew process, and the absence of a single audit.

Method:

Agencies selected for monitoring will receive either "regular monitoring" or "targeted monitoring". **If an agency did not undergo a financial monitoring by All Chicago in 2018 or if the agency did not undergo a HUD monitoring in 2018 or 2019**, the selected agency will be subject to regular monitoring procedures. **Agencies receiving financial monitoring by All Chicago or HUD in 2018 or 2019** will receive targeted monitoring,



with an emphasis on reviewing the status of corrective action plans resulting from single audit or monitoring findings.

1. Regular Monitoring Procedures

For the regular financial monitoring, your agency will be asked to submit supporting documentation for 10 grant management areas via SurveyGizmo for review by All Chicago's finance team. Each agency selected for a financial review will be notified at least two weeks prior and will be provided with a deadline, SurveyGizmo link, and deadline window to receive feedback from All Chicago. Each agency will be asked to submit the following supporting documentation:

1. Written Financial Policies and Procedures Manual
2. Most recent expenditure report for largest CoC grant, or for the project receiving program monitoring by CoC team
3. Most recent budget to actual report for largest CoC grant, or for the project receiving program monitoring by CoC team (this report may be combined with item #2.)
4. 1 voucher request package (for month identified by All Chicago), including supporting documentation for all requested items.
5. Bank statement for month identified by All Chicago
6. 1 payroll register (for month identified by All Chicago), with time sheets and activity reports for all employees charged to CoC grant.
7. File retention policy
8. Finance department organization chart
9. Submit Segregation of Duties Control grid if agency has one, otherwise complete Segregation of Duties Control grid provided by All Chicago
10. LOCCS activity printout for each CoC grant for the most recently completed grant year (12 month draw period)

2. Targeted Monitoring

Agencies undergoing a targeted monitor will receive a custom monitoring plan which will be sent directly to the appropriate contact person. The monitoring plan will focus on corrective action plans related to:

- Single audit and financial audit findings
- Financial findings from 2018 or 2019 HUD or All Chicago monitorings

The plan will include targeted document, information and interview requests to substantiate progress on the related corrective action plans.

Feedback:

Monitoring feedback will be presented within 3 weeks of the completion of the monitoring review. Technical Assistance (TA) sessions will be planned and scheduled at this time, if warranted, and



will be conducted within one month of the review. A follow-up survey will be conducted following the completion of each monitoring visit and when the TA is completed.

Technical Assistance:

After conducting the monitoring of financial documentation, the financial monitor will make a determination regarding the next step in the process, which may include any of the following:

- Scheduling an on-site visit to further review and discuss procedures and needs with the agency
- Developing an individualized financial TA plan

All Chicago's finance department will provide the required TA through a combination of phone calls, in-person meetings and online sharing of resources.

Evaluation:

All Chicago staff will conduct an end-year evaluation of the process, including a review of feedback and follow-up surveys. Following the end-year evaluation, All Chicago will make recommendations for any adjustments needed to the next year's process. The work group that was convened to provide advice on the planning of this process will also be reconvened at the end of the year to review and provide input on any necessary changes.