

Grants Activities Reports

Tab 3

Background:

- **Independent Audit Status Report** – Grants Management Staff will review the Independent Audit Status report which summarizes the status of desk reviews of annual independent audits submitted by grantees.
- **Grants Monitoring Exceptions Report** – The Grants Monitoring Exceptions Report enclosed summarizes concerns noted by TCDD Grants Management staff in their ongoing monitoring activities, and the status of resolving those concerns.
- **Grants Risk Assessment Report** – The Grants Risks Assessment Report enclosed summarizes the risk assessment matrix for continuation grant awards and new grant awards.

Executive Committee

Agenda Item 6.

Expected Action:

The Executive Committee will review the information provided and may provide guidance to staff.

Council

Agenda Item 12. A.

Expected Action:

The Council will receive a report on the Executive Committee discussion.

TEXAS COUNCIL FOR DEVELOPMENTAL DISABILITIES

INDEPENDENT AUDIT STATUS REPORT

GRANTEE	FYE	DATE RECEIVED	AUDIT FIRM	EXCEPTIONS NOTED	RECOMMENDATIONS/ RESOLUTIONS
Brighton School, Inc.	8/31/2012	1/14/2013	Cundiff, Rogers & Solt	None.	The last two audits have an unqualified opinion. Per TCDD procedures the current audit was reviewed by TCDD staff. No concerns are noted, thus this audit was not sent to Don Mikeska, CPA, for desk review.
Region 17 ESC	8/31/2012	12/27/2012	Bolinger, Segars, Gilbert & Moss, LLP	None.	The last two audits have an unqualified opinion. Per TCDD procedures the current audit was reviewed by TCDD staff. No concerns are noted, thus this audit was not sent to Don Mikeska, CPA, for desk review.
Region 19 ESC	8/31/2011	10/3/2012	Gibson, Ruddock Patterson, LLC	None.	The last two audits have an unqualified opinion. Per TCDD procedures the current audit was reviewed by TCDD staff. No concerns are noted, thus this audit was not sent to Don Mikeska, CPA, for desk review.
Texas Tech University	8/31/2012	12/5/2012	State of TX	None.	Forward for Desk Review.

Key: Audits were submitted to TCDD during the fiscal year (Oct. 1, 2012 – Sept. 30, 2013). Independent Audit Reports are due not later than nine months after the end of the grantee's fiscal year(s) for which an audit is performed. This document includes audits that were received after the due date, but during the fiscal year.

**RISK ASSESSMENT FOR CONTINUATION AWARDS
06/01/12 – 05/31/13**

Item	Grantee	TCDD Funds	Other Fed Funds	Risk Activity	Risk Code
A	Any Baby Can	\$228,610	\$0	2	
B	Texas State Independent Living Council	\$250,000	\$75,000	2	
C	Jewish Family Services of Dallas	\$75,000	\$53,000	2	
D	NAMI Texas	\$75,000	\$70,000	2	
E	The Arc of Dallas	\$75,000	\$0	2	
F	The Arc of Texas	\$75,000	\$62,596	2	
G	Texas Parent to Parent	\$58,700	\$97,500	2	

**RISK ASSESSMENT FOR CONSIDERATION OF NEW AWARDS
06/01/12 – 05/31/13**

Item	Grantee	TCDD Funds	Other Fed Funds	Risk Activity	Risk Code
A	Region 17 ESC – Family in Schools	\$200,000	\$2,105,251	2	
B	VSA Arts of Texas – Self-Advocates as Speakers	\$125,000	\$50,000	2	
C	Imagine Enterprises – Self-Advocates as Speakers	\$125,000	\$40,000	2	

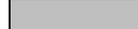
KEY

	Extensive Risk Management (all levels of control plus audit)
	Considerable Risk Management (most levels of control plus independent review by CPA)
	Moderate Risk (operating & monitoring controls & agreed upon procedures engagement by CPA)
	Monitor or Accept (basic monitoring only)

**TCDD RISK MATRIX
FY 2013**

<i>Award Amounts</i> →	- \$75,999.	\$76,000. – \$199,999.	\$200,000.- \$499,999.	\$500,000. +
Risk Activities ↓				
1. New Grantee (i.e., no previous project or no project within 2 year period)	LH	MH	HH	HH
2. Awards within Award (e.g., consultants, presenters, sub-contractors, etc.)	LH	MH	HH	HH
3. Funding Issues (e.g., budget/procurement concerns, match, sustainability, etc.)	LM	LM	MM	HM
4. Compliance Issues (e.g., OMB, UGMS, TCDD policy, oversight issues, etc.)	LM	LM	MM	HM
5. Performance Issues (e.g., unmet goals, milestones, special conditions, etc.)	LM	LM	MM	HM
6. Legal Actions	LL	LL	ML	HL
7. Fiscal Office Located Out-Of-State	LL	LL	ML	HL
8. No Audit Prior To Grant Award	LL	LL	ML	HL

KEY: 1st letter denotes impact; 2nd letter denotes probability.

	HM, HH	Extensive Risk (all levels of control plus audit)
	MM, MH, HL	Considerable Risk (most levels of control plus independent review by CPA)
	LH, ML	Moderate Risk (operating/monitoring controls + agreed upon procedures by CPA)
	LL, LM	Acceptable Risk (basic monitoring only)

Use for Risk Management Plan:

	Audit work performed and the Executive Director performs oversight via quarterly report* provided to ensure supervisory and operating controls are working.
	Department heads reporting to Executive Director perform oversight functions to ensure supervisory and operating controls are working.
	Department staff perform oversight functions to ensure supervisory and operating controls are working.
	Department staff perform basic oversight functions to ensure controls are in place.

Use for Annual Audit Plan:

	Red indicates areas to be audited by contracted internal audit services provider.
	Yellow indicates areas to be covered through oversight, supervisory and operating controls with guidance from the contracted internal audit services provider.
	Green indicates areas to be covered through staff oversight with guidance from the contracted internal audit services provider as needed.
	Gray indicates areas to be covered through basic staff oversight and reporting.

*Grants Monitoring Exceptions Report provided to E.D. and Council quarterly for review.

No risk activities means monitoring strategies will be performed at the lowest level under the award amount.

NOTE: Risk Matrix reviewed annually with TCDD staff and Internal Auditor; updated when needed.

**MONITORING STRATEGIES
FY 2013**

STIPENDS (\$6,000. Or less):

Website instructions	Special Conditions (GMD letter)
Technical support (Budget Support Specialist)	Review FROE & other reports submitted

GRANT PROJECTS:

Level 1 GRAY

Orientation	Approvals (e.g., equipment, travel, speakers, etc.)
Onsite Review = Initial	Project Advisory Committee Meetings
Program Performance Review = Annual	Final Program Performance Report
RAR Documentation Review	Other as determined necessary (e.g., audit desk review)

Level 2 GREEN

Orientation	Project Advisory Committee Meetings
Onsite Review = Initial & 3 rd year	Final Program Performance Report
Program Performance Review = Quarterly	Agreed upon Procedures Engagements CPA
RAR Documentation Review	Other as determined necessary (e.g., audit desk review)
Approvals (e.g., equipment, travel, speakers, etc.)	

Level 3 YELLOW

Orientation	Project Advisory Committee Meetings
Onsite Review = Initial & 3 rd & 5 th years	Final Program Performance Report
Program Performance Review = Quarterly	Independent Review by CPA = Annual (A-133 Audit at \$500k or more)
RAR Documentation Review	Project Staff Meeting (1X per annum)
Approvals (e.g., equipment, travel, speakers, etc.)	Other as determined necessary (e.g., audit desk review)

Level 4 RED

Orientation	Final Program Performance Report
Onsite Review = Initial & Annual	A-133 Audit = Annual (Independent under \$500k)
Program Performance Review = Quarterly	Audit Desk Review = Annual
RAR Documentation Review	Project Staff Meeting (2X per annum)
Approvals (e.g., equipment, travel, speakers, etc.)	Interim Program Performance Report
Project Advisory Committee Meetings	

ADDITIONAL MONITORING STRATEGIES FOR GRANT PROJECTS

To be selected and implemented on an as needed basis.

- Re-orient
- Add milestones or special conditions
- Move up to the next level of monitoring (see above tables)
- Payment holds (reimbursement only no advance or no reimbursement & no advance)
- Require additional onsite reviews