



District of Columbia  
Office of the State Superintendent of Education

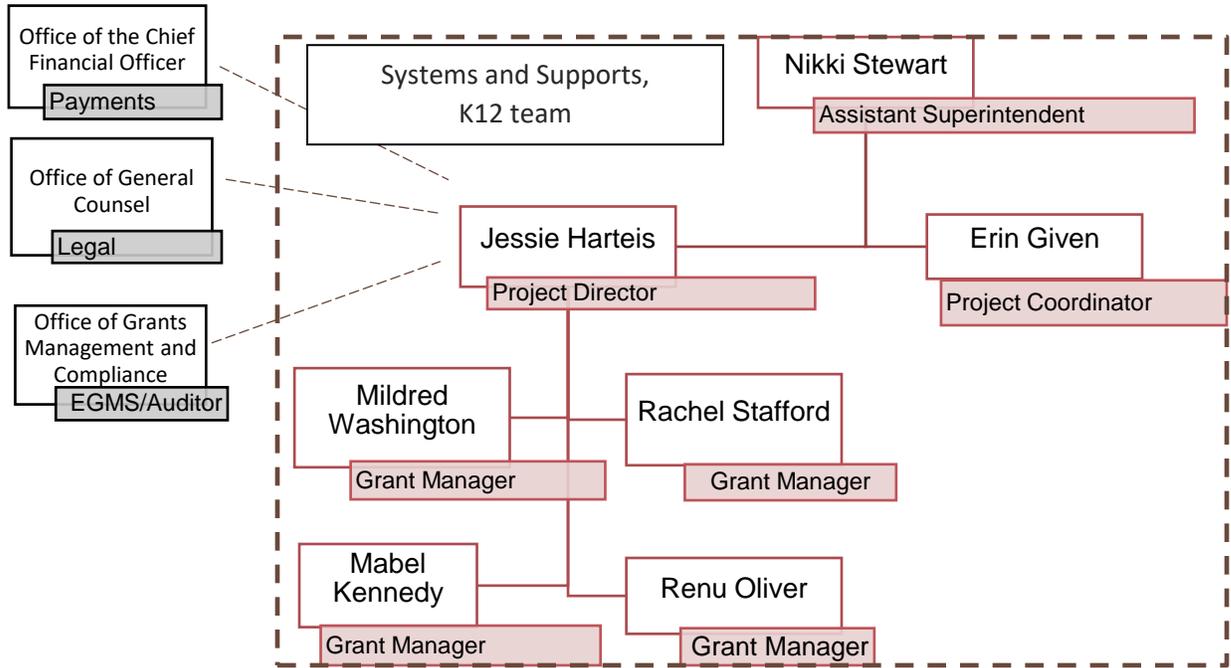
# CARES-ESSER INTERNAL CONTROL PLAN AND SUBRECIPIENT MONITORING PLAN

Division of Systems and Supports, K12

July 2020

### **Internal Control Plan - Management Structure**

This section identifies the management structure for implementing the CARES-ESSER Fund grant, including the key personnel responsible for managing and monitoring subrecipients.



The Office of the State Superintendent of Education (OSSE) will manage the CARES-ESSER grant using the following structure:

*Systems and Supports, K12* (SSK12) is the primary team responsible for managing and implementing this grant. The following key personnel will manage the CARES-ESSER grant implementation, reporting and monitoring:

- *Jessie Harteis* (Project Director), Deputy Assistant Superintendent, will lead strategic direction of grant design.
- *Erin Given* (Project Coordinator), Financial Program Analyst, will serve as the lead grant manager, coordinating with internal and external stakeholders to design and implement grant activities.
- *Mildred Washington, Mabel Kennedy, Renu Oliver, and Rachel Stafford* (Grant Managers) will each manage day-to-day oversight and each support for a subset of subrecipients.

SSK12 will also work in coordination with the following additional divisions at the agency:

- *Office of General Counsel* provides legal advisement for grant implementation, reporting, and monitoring.
- *Office of the Chief Financial Officer* supports timely payments.
- *Office of Grant Management and Compliance* manages the OSSE's online portal for submitting and amending grant applications and reimbursements and leads audits.

## **Internal Control Plan - Risk Identification and Mitigation**

*This section identifies risks, both internal and subrecipient risks, associated with implementing the program based on past performance and identifies strategies for mitigating such risks.*

### **Internal Risk Identification and Mitigation**

*Identification:* In response to the FY2017 USED Performance Review, OSSE established an Enterprise Risk Management (ERM) committee. During FY2020, the committee is defining risk tolerances, developing a risk assessment tool, completing an initial risk review, and revisiting residual risks. In addition to the agencywide internal working group, the CARES-ESSER grant team will assess risk by reviewing prior division monitoring reports and verifying that corrective actions from prior monitoring reviews are corrected. Detailed below is the current system that the CARES-ESSER grant team will use to mitigate the risk of noncompliance.

*Team Design:* In creating the program team for the CARES-ESSER grant, OSSE drew upon staff with broad expertise in different aspects of grants management, including leadership and staff with expertise in grant design, compliance, oversight, fiscal planning, and reporting.

*Grant Routines:* OSSE will administer grant funds in conformity with the Generally Accepted Accounting Principles (GAAP). OSSE will expend grant funds in accordance with the cost principles delineated in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements at 2 CFR Part 200, Subpart E Cost Principles. A minimum of two staff will review subrecipient applications, amendments, and reimbursements prior to approval. During reimbursement reviews, staff will review claims and supporting documentation, as applicable, alongside the grant application, allowable uses, and period of availability. The segregation of duties across SSK12, OGC, OGMC, and OCFO as well as the Office of Contracting and Procurement also serves as an internal control.

*Ongoing Training:* Program staff have access to training and support to grow and maintain the skills and knowledge to effectively carry out program objectives in compliance with program requirements. All staff members receive a minimum of two evaluations per year.

*Anonymous Reporting:* Fraud, waste, abuse, or mismanagement may be reported directly to the DC Office of the Inspector General (OIG) by emailing [hotline.oig@dc.gov](mailto:hotline.oig@dc.gov) or anonymously via telephone hotline at (202) 724-TIPS. The OIG, and the DC Council take all matters seriously and investigate and address issues of concern and potential non-compliance immediately.

### **External Risk Identification and Mitigation**

OSSE will consider a subrecipient's past performance on other federal awards and impose specific conditions, as appropriate, in accordance with 34 CFR § 200.207. OSSE will utilize internal controls that have been implemented successfully for other federal grant programs such as:

*Identification:* OSSE identifies subrecipient risk based on a review of Agency audit reports and Systems and Supports, K12 subrecipient monitoring risk assessment. Detailed below is the current system that the CARES-ESSER grant team will use to mitigate the risk of noncompliance.

*Resolution of audit and monitoring review findings:* OSSE ensures that audit and monitoring findings are corrected, and systems developed to support continued compliance beyond the review cycle.

*Tools and training:* OSSE will provide technical assistance and resources to subrecipients to illustrate expectations and support strong program implementation. For subrecipients requiring greater support, OSSE will develop targeted monitoring plans, including imposing specific conditions and corrective action plans.

*Centralized grants management system:* OSSE utilizes Enterprise Grants Management System (EGMS) to internally manage subrecipients. EGMS is used to improve the management and administration of grants and was established to provide users with the information on the status of project applications and awards of Federal and State funds.

*Risk review:* During the application review process, OSSE staff will also review prior subrecipient monitoring determinations and the results of previous audits, to determine if additional training or oversight is necessary. This is in addition to the risk assessment performed to determine the appropriate subrecipient monitoring touchpoint detailed below.

*Communication:* OSSE will ensure that subrecipients have access to needed OSSE personnel (i.e. dedicated email and staff to support grant implementation efforts).

### **Internal Control Plan – Retention of Primary Documentation**

*This section describes how the Grantee will ensure the existence of primary documentation necessary to support fiscal reviews, including audits (single audit and audits by the Office of the Inspector General) and Improper Payment assessments, as requested by the Department or the Department’s contractor.*

*Grant Conditions:* Consistent with 34 CFR Section 76.730 of EDGAR, as a grant award term to receive CARES-ESSER funding, OSSE requires subrecipients to maintain records that show:

- The amount of funds under the grant;
- How the subrecipient uses the funds;
- The total cost of the project;
- The share of that total cost provided from other sources; and
- Other records to facilitate an effective audit.

OSSE further requires subrecipients to retain financial records, supporting documents, statistical records, and all other entity records pertinent to the award for a period of five years from the date of submission of the final expenditure report. If any litigation, claim, or audit is started before the

expiration of the five-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

**Reimbursement Requests:** OSSE requires subrecipients to submit supporting documentation with reimbursement requests for the following:

- Professional services - All vendors that provide professional services.
- Equipment – Defined as tangible personal property (including information technology systems) having a useful life of more than one year with an acquisition cost of \$5,000 or more per unit.
- Other costs - OSSE may also require additional documentation as needed to support a cost. Commonly requested records may include the following:
  - Payroll transactions (i.e., a list of employees paid with federal grant funds; job or position descriptions; time and effort records demonstrating that employees worked on grant activities; time and attendance records demonstrating when the employee worked; evidence of payroll reconciliations; accounting records indicating how salaries were charged; and/or payment records indicating how salaries were paid).
  - Procurement transactions (i.e., requisitions; cost estimates; requests for bids, proposals, copies of bids, copies of proposals, etc. submitted; evaluation documents; purchase orders or contracts; invoices; proof that items purchased were received; and/or inventory records).

### **Subrecipient Monitoring Plan – Risk Assessment**

*This section describes the revised risk assessment and ranks and prioritizes LEAs with consideration for new criteria identified as a result of receiving ESSER funds.*

OSSE’s risk assessment currently considers the following factors:

- Results from the single audit required by 2 CFR 200, Subpart F and financial review results for entities that do not meet the \$750,000 single audit threshold
- Higher grant award totals
- Failure to timely draw down grant funds
- Findings as a result of any IDEA complaints filed against the subrecipient
- Comprehensive Support and Improvement Schools (CS1)
- Comprehensive Support and Improvement Schools (CS2)
- Targeted Support and Improvement Schools (TS)
- IDEA, Part B determination level (i.e., Met Requirements, Needs Assistance or Needs Intervention)
- Unresolved noncompliance from previous monitoring reviews
- Dates of most recent on-site monitoring visits
- Additional concerns raised by individual grant managers
  - Prior experience in administering federal grants
  - Untimely reporting: One late report/application

- Untimely reporting: Two or more late reports/applications
- GAN requirements not met/subrecipient on special conditions
- Failure to submit required data (includes funding amendments)
- Grant funds withheld or revoked

OSSE has reviewed its criteria and, at this time, finds them to be adequate to prioritize LEAs for review. OSSE will integrate ESSER funds into the risk assessment calculations, e.g., the grant award totals threshold for points, when determining subrecipients to monitor for implementation of grant programs in the 2020-21 school year.

### **Subrecipient Monitoring Plan –Monitoring Protocols**

*This section describes the development and implementation of revised monitoring protocols.*

OSSE is currently in the process of updating its monitoring protocols for the upcoming monitoring cycle (i.e., the reviews that will take place in the 2020-21 school year reflecting on implementation in the 2019-20 school year). OSSE will develop monitoring protocols for CARES-ESSER by summer 2021 to implement in the 2021-22 school year.

Monitoring may include record reviews, document reviews, and interviews which are intended to identify any noncompliance, assess progress toward federal and local targets, and provide recommendations intended to support continuous improvement.

### **Subrecipient Monitoring Plan – Schedule for Subrecipient Monitoring**

*This section describes the schedule for subrecipient monitoring, including both programmatic and fiscal issues, based upon the Grantee's revised risk assessment.*

OSSE's schedule for subrecipient programmatic and fiscal monitoring is as follows:

- December: OSSE completes its annual subrecipient risk assessment and determines which LEAs will receive monitoring for grant implementation.
- January – April: OSSE conducts its monitoring of selected subrecipients based on OSSE's subrecipient risk assessment.
- March – September: OSSE details monitoring concerns and issues subrecipient monitoring reports.

OSSE conducts monitoring activities through both desktop and/or on-site monitoring reviews. Scheduled on-site monitoring visits are prioritized by risk-assessment criteria in accordance with 2 CFR § 200.331(b) and any additional factors named above. All monitoring strategies and schedules are coordinated within the Systems and Supports, K-12 division to identify cross-cutting areas of monitoring across programs (including programs for students with disabilities and English learners), align efforts, set clear expectations, and avoid unnecessary burden on subgrantees.

- *On-site monitoring* reviews are a process by which selected subrecipient receive an on-site visit from OSSE staff. This team completes a comprehensive document review, interviews of staff, family, and students as applicable, fiscal examination and follow-up, including

technical assistance, if needed. The process is designed to identify any noncompliance in order to assist subrecipients in making progress toward improving educational results and functional outcomes for all students. On-site compliance monitoring also allows OSSE to determine whether OSSE, as the state education agency (SEA), has implemented oversight strategies that have resulted in qualitative and quantitative improvements, and to formulate specific, tailored actions to help subrecipients further accelerate outcomes.

- *Desktop monitoring* reviews are a tiered monitoring approach that range from a specific request for documentation supporting a single reimbursement request to a broader request for a series of quarterly reports or supporting documentation across the grant period. Subrecipients that participate in desktop monitoring will be required to submit evidence of program implementation and program administration documents for review.

If noncompliance is identified during a monitoring review, OSSE will provide a list of required corrective actions and improvement activities to address noncompliance. If appropriate, subrecipients may also be required to develop a corrective action plan within 30 days of issuance of the final monitoring report from OSSE. After the subrecipient has corrected identified noncompliance, OSSE will verify the correction of noncompliance as required by the related federal grant.