



**FLORIDA DEPARTMENT *of*
ECONOMIC OPPORTUNITY**

COMPLIANCE MONITORING PLAN
CDBG-DR/MIT PROGRAMS

Version 7.2

November 2022



Version History

Version Number	Date Revised	Description of Revisions
1.0	September 2019	Original Version
2.0	March 2020	Added additional detail regarding monitoring process
3.0	April 2020	Added Hurricane Michael information and Mitigation programs to Programs Monitored and Statutory Requirements and Guiding Documents, added clarifying language regarding Quality Assurance/Quality Control (QA/QC) reviews, and made minor grammatical corrections.
4.0	July 2020	Updated Hurricane Michael programs under Programs Monitored. Changed “division” to “bureau” under Roles and Responsibilities. Corrected minor typographical errors.
5.0	December 2020	Updated Risk Matrix, included COVID-19 considerations for the Monitoring Workplan, added subrecipient Single Audit conditions and other OLTR audit review processes, and included additional timing considerations and management decisions for Programmatic and Fiscal Monitoring under Planning, Fieldwork, Reporting, and Response phases.
6.0	April 2021	The Office of Disaster Recovery (ODR) has changed its name to Office of Long-Term Resiliency (OLTR). Additionally, there was a bureau name change from Bureau of Finance and Administration to Bureau of Administration. This includes the changing of Bureau Chief, Finance and Administration to Bureau Chief, Administration. These changes occurred throughout this document.
6.1	September 2021	Formatted Document for Consistency with other OLTR Policy documents Added Version Policy and Policy Change Control
7.0	March 2022	Updated risk analysis with expenditure threshold requirements and program award/allocation considerations, as well as how the analyses result in a refined monitoring approach for the monitoring workplan and proposed monitoring schedule. Additionally, a third monitoring review type, virtual reviews, is further outlined and explained for potential monitoring engagements.
7.1	October 2022	Replaced CDBG-DR to include MIT (CDBG-DR/MIT) throughout the document. Deleted “Standard Operating Procedures” (SOPs) from document. Replaced “on-site” with “onsite” to be consistent throughout. Deleted “virtual reviews” (to include definition) from the document. Replaced “semi-annually” reference to “annually” regarding updating risk assessment. Deleted signature block.
7.2	November 2022	Updated the language in section 8.0 Monitoring Workplan and Schedule.

VERSION POLICY

Version history is tracked in the Version History Table (page ii), with notes regarding version changes. Dates of each publication are also tracked in this table.

Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

POLICY CHANGE CONTROL

Policy review and changes for the State of Florida Office of Long-Term Resiliency are considered through a change-control process. Policy clarifications, additions, or deletions are needed during the course of the program to more precisely define the rules by which the Program will operate. Program staff will document policy-change requests that will be tracked in the program files. Requests are compiled and brought before supervisory staff in a policy meeting. Subject matter experts working in a particular policy area or task area that will be affected by the policy decision may be invited to assist in policy evaluation, if necessary. Policy meetings will be held as frequently as is necessary to consider policy decisions critical to moving the Program forward in a timely manner. Policy decisions will be documented and will result in the revision of the document in question.

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1.0 Introduction

As per Community Development Block Grant (CDBG) regulation, 24 C.F.R. § 570.501(b), grantees of Community Development Block Grant Disaster Recovery/Mitigation (CDBG-DR/MIT) funds are responsible for carrying out their programs to meet compliance with CDBG-DR/MIT Program, statutory and regulatory requirements, including monitoring their project administrators, contractors, and subcontractors.

Additionally, 2 CFR § 200.328 states that the non-Federal entity is responsible for the oversight of the operations of the Federal award supported activities and that monitoring by the non-Federal entity must cover each program, function, or activity.

As such, throughout the application, planning, design, and implementation phase of the program(s), the Florida Department of Economic Opportunity's (DEO) Office of Long-Term Resiliency (OLTR) will conduct monitoring of processes, procedures, policy, applications, planning, design, construction and other applicable phases. OLTR will work to ensure that programs are operating efficiently and effectively and that CDBG-DR/MIT funds are being used appropriately. The implementation of effective monitoring of the program's compliance against the program guidelines, requirements and procedures is important to identify areas of strong performance and areas that need improvement and/or a corrective action.

OLTR has established this Monitoring Plan to:

- Gauge the overall progress and effectiveness of program implementation.
- Identify and resolve compliance issues that may compromise program integrity, funding, and service delivery.
- Identify areas that would benefit from technical assistance and/or training.

The Monitoring Plan will allow OLTR Compliance to carryout activities uniformly, efficiently and effectively. The monitoring plan may be updated as needed based on program design and any policy changes to federal and local requirements over the life of the grant.

2.0 Statutory Requirements and Guiding Documents

All monitoring conducted shall be guided and governed by all applicable federal and state statutes including but not limited to:

- 2 CFR Part 200
- 24 CFR Part 570
- November 16, 2011 Federal Register Notice, Volume 76, Number 221
- Title I of the Housing and Community Development Act of 1974
- All current Action Plans as amended and grant agreements as amended with HUD
- 73C-23.0051, FAC – Grant Administration and Project Implementation
- 73C-23.0081, FAC – Nonrecurring CDBG Funding
- January 27, 2020 Federal Register Notice, Volume 85, Number 17
- February 9, 2018 Federal Register Notice, Volume 83, Number 28
- August 14, 2018 Federal Register Notice, Volume 83, Number 157
- November 21, 2016 Federal Register Notice, Volume 81, Number 224
- January 18, 2017 Federal Register Notice, Volume 82, Number 11
- August 7, 2017 Federal Register Notice, Volume 82, Number 150

3.0 Programs Monitored

OLTR is currently monitoring the following CDBG-DR and CDBG-MIT funded programs (including subrecipients):

- Hurricane Irma
 - Housing Repair and Replacement Program
 - Workforce Affordable Rental New Construction Programs (FHFC)
 - Voluntary Home Buyout Program
 - Workforce Recovery Training Program
 - Business Recovery Grants Program
 - Infrastructure Repair Program
- Hurricane Hermine and Hurricane Matthew Subrecipients
 - St. Johns County
 - Citrus County
 - Brevard County
 - City of Jacksonville
 - City of Palatka
 - Pasco County
 - Putnam County
 - Volusia County
- Mitigation Program
 - Critical Facility Hardening Program
 - Mitigation General Planning Program
 - Mitigation General Infrastructure Program
- Hurricane Michael
 - Housing Repair Program
 - Voluntary Home Buyout Program
 - Hometown Revitalization Program
 - Workforce Recovery Training Program
 - General Infrastructure Program
 - Hazard Mitigation Grant Match Program

4.0 Roles and Responsibilities

The Compliance staff reports directly to the Finance and Administration Bureau Chief who reports directly to the Director of Long-Term Resiliency. This bureau is separate from the Operations and Economic Recovery bureaus which are responsible for program implementation. This reporting structure is intended to foster independence in the performance of monitoring engagements and the reporting of monitoring results. Below are the key roles of the compliance team and the job descriptions thereof.

Bureau Chief, Finance and Administration:

- Provides oversight of all compliance and monitoring activities
- Signs all relevant letters (e.g. onsite visit strategy letter and monitoring report letter)
- Issues final decisions regarding findings and concerns.

Compliance and Reporting Manager:

- Directs the day-to-day activities related to CDBG-DR/MIT compliance and monitoring
 - completes and maintains risk assessment and monitoring schedule
 - edits and tracks letters to all entities
 - ensures the compliance and monitoring staff are prepared for and are effectively carrying out all tasks.

Compliance Officers:

- complete monitoring reviews and technical assistance
- draft all relevant letters
- compile and complete monitoring checklists
- update documents on OLTR website

DEO has engaged contractors to assist with monitoring all CDBG-DR/MIT programs. Where the Plan notes work done by OLTR monitoring, it is understood that the designated monitoring and oversight contractor(s) serve as an extension of OLTR, under OLTR guidance and management to serve the monitoring roles and responsibilities.

5.0 Personally Identifiable Information

OLTR shall safeguard the confidentiality of all personally identifiable information (PII) reviewed during any monitoring event. PII is defined under 2 CFR 200.79 and 2 CFR 200.82. For the purposes of this Monitoring Plan, PII includes without limitation, names, credit card numbers, social security numbers, biometric data, bank account numbers, passport numbers, computer passwords, or any other health, financial, or employment information.

OLTR shall not appropriate for its own use or disclose any PII except to those persons directly concerned with the PII and only to the extent necessary to comply with Federal regulations.

OLTR may not store PII on computers, mobile devices, cellular telephones, and/or personal digital assistants, servers, and/or storage devices, including removable media, unless required for the performance of monitoring under this Monitoring Plan.

6.0 Types of Monitoring

OLTR will perform an initial risk assessment to evaluate each program to determine what level of monitoring will be conducted to ensure that all projects are compliant. A range of monitoring methods will be used including (but not limited to):

- **Desk Reviews** – a review of documents submitted by program staff, subrecipients, and contractors/vendors.
- **Onsite Reviews** – activities such as review of documentation of eligibility and national objective compliance, financial expenditure records, interviews with staff, and inspection of records for the CDBG-DR/MIT activities conducted.
- **Strike Team Reviews** – pre-monitoring assistance provided during both the early stages of program development and during instances of program staff turnover to assess critical risks and rebuild capacity, including a review of detailed processes to preempt any potential future compliance issues.

Standardized monitoring checklists will be used to ensure consistency and to provide a detailed record. The monitoring checklists are tailored from the HUD monitoring exhibits found in the CPD Monitoring Handbook (6509.2).¹

¹ https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/6509.2/

7.0 Risk Analysis

OLTR will conduct risk analyses on all programs in order to identify those entities and programs that are most susceptible to fraud, abuse, or mismanagement. OLTR will primarily review the following measures in determining the risk level of entities and programs:

- **Expenditure rate thresholds** – OLTR will consider entities as a higher risk once they reach 20 percent funds expended within their implemented activity(ies) or program(s). Subsequently, OLTR will also consider an entity who reaches 80 percent expended, with most activities or programs nearing completion, as exhibiting a higher risk level for ensuring, determining, and documenting their efforts for programmatic and regulatory compliance.
- **Program award and allocation amounts** – OLTR will also consider the amount of funding an entity has received or been awarded as a measure in determining a higher level of risk. OLTR will consider entities who have allocations totaling above \$5 million as higher risk, as well as other entities who have not expended initial funding within an appropriate timeframe and have allocations in between \$2 and \$4 million.

OLTR’s Compliance team may also employ another measure, program and subrecipient risk assessments, to provide critical information and effectively target resources toward entities and programs that pose other risks to the integrity of OLTR’s CDBG-DR/MIT funding. The below matrix lists the general risk assessment criteria. In addition to the quantitative measures listed in the matrix, qualitative risk factors may also be considered. This will not change the overall risk score but may provide justification for including an entity in the Monitoring Workplan and Approach. Such qualitative factors include but are not limited to local media reports, litigation, major new programs undertaken, subsequent disasters, staff turnover, and citizen complaints. OLTR may adjust the matrix outlined below to reflect new criteria or risk factors as identified.

Criteria	Description	High Risk	Medium Risk	Low Risk
Capacity	Program Administrator’s current staff capacity and its ability to ensure programmatic compliance with the CDBG-DR/MIT regulations.	10	6	3
		Turnover of at least 1 key person and program complexity is greater than programmatic knowledge and capacity of its staff.	Program complexity is greater than programmatic knowledge and capacity of its staff.	No turnover and program complexity are in line with staff capacity and program knowledge
Funding	Total funds allocated to the program (including FEMA and other federal and state funds)	7	5	3
		Over \$100,000,000	\$50,000,000 - \$100,000,000	Less than \$50,000,000

Complexity	Type of activities; complexity of intake process; applicability of cross-cutting requirements; policies and procedures.	10	6	3
		4+ activity types; highly complex intake system; many cross-cutting requirements apply; no drafted program guidelines or internal SOPs.	3 or fewer activity types; intake system that may strain resources; some cross-cutting requirements apply; drafted but not fully approved guidelines or SOPs.	1-2 activity types; intake system is manageable; little or no cross-cutting requirements applicable; approved guidelines and SOPs.
Implementation Method	Type of entity carrying out the programs (more layers, more risk)	8	5	2
		Subrecipient	Grantee Staff	Vendor Implementation
Relevant Experience	The Program Administrator's experience administering CDBG- DR funds	10	6	3
		No Experience	1 to 3 Years of Experience	4+ Years of Experience
Compliance History	The Program Administrator's past compliance with federally funded programs.	8	5	2
		No past monitoring or severe deficiencies were revealed	Evidence of prior monitoring; deficiencies noted, but non severe	Evidence of prior monitoring; no deficiencies noted
Project Timeline	The projected and defined timeline for program completion, per the agreement; performance management.	5	3	1
		Completion under 12 months; significant program or project delays experienced (longer than six months).	12-24 months; program/project delays less than six months.	Over 24 months; program/projects moving along as scheduled.
		Low Risk: 24 or Fewer Points Medium Risk: 25-40 Points High Risk: 41-58 Points		

Together with the primary factors identified above, the risk analysis will ultimately determine programs which will be monitored onsite and remotely, program and focus areas to be covered, and the depth of the review. These risk analysis tools will allow the state to minimize potential risk as it administers its CDBG-DR/MIT allocation.

8.0 Monitoring Workplan and Schedule

After the risk analyses are completed and results are finalized, the Department will prepare a schedule of proposed monitoring events for all programs and activities throughout the year. High-risk programs, as identified

through the primary factors above, will typically be reviewed more frequently. For programs which are still in early stages of development and have not processed substantial expenditure amounts, the strike team approach will be used to assess critical areas of the program, including a review of detailed processes, to preempt any potential future compliance issues. The workplan will also include technical assistance to provide guidance and support to the program teams.

As necessary and possible, OLTR will conduct a minimum of two programmatic monitoring reviews for each active CDBG-DR program/project. The first monitoring will occur after a subrecipient has expended 20 percent of awarded funds, with the second monitoring occurring after 80 percent of funds have been expended. Desk reviews may be performed once threshold triggers are met for each program/project if an onsite review is not feasible. These monitoring reviews will be in addition to the Department's Quality Assurance/Quality Control (QA/QC) reviews which will be more process/activity focused. A QA/QC review is an independent and objective activity intended to add value and improve OLTR's CDBG-DR operations while reducing risks of HUD and program nonconformance. There is a separate plan that details the QA/QC review process.

Monitoring frequency or inclusion within the proposed schedule may be increased beyond the two triggers for monitoring based on percent expended thresholds if a matter is uncovered by an external audit or necessitated by the possibility of fraud, waste, or mismanagement. The workplan may also be adjusted based on any deficiencies noted during an engagement or other significant events that may occur during the year. In addition, the program risk assessment will be updated annually or based on major program changes which will, in turn, require an adjustment to the monitoring workplan or proposed monitoring schedule.

9.0 Strike Team Support

Once a program risk assessment is completed on a new program and if assistance needs are identified in the early stages of program development, DEO may approve Strike Team Support. The Strike Team coordinates with DEO program staff to ensure full understanding of program status and undertake pre- monitoring assistance to address identified potential risks that may arise as the program develops towards implementation and establishes a work plan to implement solutions during program development. Following are the three stages of the Strike Team Support process:

1. Post-Program Risk Assessment and Work Plan Development
 - A. Identify key findings of assessment and discuss remedies with program staff.
 - B. Develop recommendations for resolving identified risks.
 - C. Collaborate with program staff to develop goals and action items for recommendations.
 - D. Develop key milestones and due dates for action items.
 - E. Incorporate work plan into the program implementation timeline.
2. Program Implementation
 - A. Re-evaluate program for identified risks and make assessment on improvements made or outstanding risks to be addressed.
 - B. On-going collaboration with program staff to address risks and complete workplan.
3. Risk Reduction Feedback/Results
 - A. Develop a summary of how the risk analysis recommendations and workplan goals or action items resulted in a measurable reduction in risk within the program, which also includes program best practices and lessons learned.
 - B. Circulate as appropriate throughout DEO to be referenced for similar programs going forward as institutional knowledge to reference.

10.0 Monitoring Process

10.1 Programmatic Monitoring

The monitoring review is broken into 4 stages: planning, fieldwork, reporting, and response.

10.2 Planning

Once the workplan and proposed monitoring schedule has been established, an individual monitoring strategy will also be developed to further define the scope and focus of each monitoring engagement. In developing the monitoring strategy, the monitoring team will identify key risk factors associated with specific activities to be monitored, the likelihood of non-compliance and the potential impact. This will determine critical risks that should be addressed during the monitoring visit.

Furthermore, for subrecipient monitoring engagements, all subrecipients implementing projects under the monitored programs may undergo a risk assessment as outlined within Section 7.0: Risk Analysis. This assessment will review key risk criteria as identified in the Risk Matrix above but will include additional risk factors such as a review of past OLTR monitoring and federal Single Audit findings for evidence of outstanding sanctions or non-compliance. These risk assessments will be similar in scope to program risk assessments but conducted solely on applicable subrecipients during the planning phase of monitoring engagements. The assessment results will support OLTR's Compliance Team by providing additional information needed to determine the monitoring review scope.

The program and/or entity being monitored will receive a notification letter within 30 days of the planned monitoring review (Onsite Monitoring or Remote – Desk and Virtual – Monitoring) which will detail the type of monitoring, timeframe to conduct the monitoring, and the nature and scope of the review. Preliminary documentation may be requested to facilitate further planning, such as sample selection, prior to the start of the monitoring. To the greatest extent feasible, documentation on-hand should be reviewed prior to the monitoring engagement to maximize the time available for reviewing documents during the monitoring. Such documentation may include the following:

- Active written agreements with the Monitored Entity;
- Progress and performance reports;
- Drawdown requests;
- Documentation of previous monitoring(s), including open findings;
- Copies of any audit reports of the entity/program; and
- Any documentation requested and received from the Monitored Entity.

Any potential deficiencies or evidence of non-compliance identified from the review of documentation prior to the engagement will be incorporated into the monitoring strategy.

10.3 Fieldwork

The fieldwork stage is comprised of three monitoring review types: desk monitoring, virtual monitoring, and onsite monitoring. Each form of monitoring has its own process and requirements in order to complete the monitoring:

- **Virtual Monitoring:** A virtual monitoring should not exceed 10 business days from the start date of the monitoring. Extensions for virtual monitoring reviews to allow availability and coordination of key staff may be allowed under extenuating circumstances.
- **Desk Monitoring:** A desk monitoring should not exceed 10 business days from the start date of the monitoring. Extensions for desk monitoring can be allowed under extenuating circumstances.
- **Onsite Monitoring:** An onsite monitoring should not exceed 5 business days from the start of the

monitoring. However, additional onsite reviews at different satellite locations, e.g., different subrecipients, may require an extension of time out in the field in order to complete onsite review(s).

During the fieldwork stage, OLTR will conduct an entrance conference with the appropriate representatives to explain the purpose of review. During the meeting, OLTR Compliance will:

- Explain the purpose, scope and schedule of the Monitoring Event;
- Confirm key personnel that will assist during the monitoring;
- Determine the times for interviews of key personnel, including the times for key personnel to be available to answer questions about files, if necessary;
- Schedule physical inspections, if applicable; and
- Verify the programs to be reviewed and how access to files will be granted.

Thereafter, OLTR should receive access to all documents requested in the notification letter and the sample of files selected for review. OLTR will use the monitoring checklists identified during the planning phase to perform the review. The checklists will be completed by OLTR throughout the monitoring event, including the notes related to the file review and interviews with key personnel.

Throughout the engagement, the monitoring staff will maintain an on-going dialogue with the program/project staff. This communication will keep the OLTR staff informed as to how the monitoring is progressing, enable discussion of any problem areas encountered, and provide the program/project team an opportunity to present additional information regarding preliminary findings and concerns. This will also minimize the potential for surprises during the exit conference or in the Monitoring Report.

At the conclusion of the monitoring review, OLTR will conduct an exit conference with key personnel to discuss preliminary findings and concerns. This meeting includes the following objectives:

- To present preliminary results of the monitoring visit and establish a clear understanding of the results of the monitoring review and next steps;
- To provide an opportunity for the program/project team to correct any misconceptions or misunderstandings;
- To secure additional information to clarify or support the position of the program/project team; and
- To provide an opportunity for the program/project team to report any steps taken to correct any deficiencies identified throughout the monitoring review.

During the exit conference, the monitoring team will also communicate next steps with the program/project staff and establish timelines for corrective actions, if necessary. All stakeholders should have a clear understanding of the monitoring results at the conclusion of the fieldwork phase.

Although the monitoring review may conclude once OLTR has conducted the exit conference, the monitored entity may be given the opportunity to provide documents to resolve preliminary findings and concerns notated in the exit conference prior to the issuance of the official Monitoring Report. The documents could result in a monitoring review conclusion which may impact the final monitoring results. In most cases, this additional review will further clarify monitoring conclusions raised during the exit conference and will not result in any substantial changes in the preliminary monitoring results or review scope. Regardless of the level of changes to the preliminary monitoring results, if any additional items are identified after fieldwork is complete that affect the final report, the program/project staff or subrecipient should be made aware prior to the issuance of the report.

10.4 Reporting

Once fieldwork is completed, a Monitoring Report will be prepared and signed by the OLTR Compliance and Reporting Manager, Finance and Administration Bureau Chief, or their designee, within 60 days from the date of the exit conference, which summarizes the result of the monitoring review. The report should correspond to items discussed during the exit conference. Monitoring reviews may result in:

- **Findings** – issues that require immediate corrective actions by the program.
- **Concerns** – issues regarding the performance of programs or activities that may result in noncompliance if they are not addressed.
- **Observations** – issues which could lead to a concern or finding if not addressed, but there is not enough evidence at the time of the monitoring that would warrant a concern or finding.

The report will include recommended corrective actions that would remedy the identified deficiency or concern. The tone of the Monitoring Report should be positive and strike a balance between recognizing the common goal of responsibly and effectively implementing CDBG-DR/MIT program(s) and reinforcing the needs and requirements to correct any deficiencies. If appropriate, the report should include significant accomplishments or positive changes to establish and/or maintain positive relationships and to recognize the dedication and commitment of the program/project staff to the program mission.

10.5 Response

The program/project staff or subrecipient will have 30 days to respond to all findings in the written Monitoring Report, unless an alternate timeline was specified in the report. The management response should include a plan and timeline for completing the required corrective actions, or proposals for alternate actions to remedy the situation. For example, the plan and timeline would outline an avenue for program/project staff or a subrecipient to request an extension of time, usually an additional 30 days, to complete corrective actions or to allow justifications for alternative correction actions. If issues are identified for corrective action and/or the responses to the Monitoring Report are deemed insufficient or incomplete, follow-up actions will be scheduled to track and record the progress of the resolution, including the submission of follow-up letters and issuance of incomplete corrective action determinations. These follow-up actions should usually take no longer than 60-90 days from the issuance of the initial Monitoring Report, but the timing and frequency of the follow-up communication will be determined at OLTR's discretion and should be based on the severity of the deficiency. All follow-up actions and determinations on incomplete actions or responses will be documented.

Once all findings and concerns have been remediated, the OLTR Compliance and Reporting Manager, Finance and Administration Bureau Chief, or their designee will issue a Clearance Letter to the program/project or subrecipient indicating that the issue has been closed. If in the course of finalizing the Monitoring Report, or during the monitoring visit, there was completion in addressing prior findings, the Monitoring Report may serve as the clearance letter, noting that the prior findings were resolved. All findings must be addressed prior to closure of the program/project.

11.0 Fiscal Monitoring

OLTR will perform fiscal monitoring reviews for all programs/projects that receive CDBG-DR/MIT funding. While most monitoring engagements will include fiscal monitoring because of the risk analysis factors which drive OLTR's monitoring strategy, there are two requirements to conduct a fiscal monitoring review of a program and/or subrecipient:

- At least one draw request submitted and paid, or
- At least 80 percent of an activity or program allocation has been requested and drawn down by the program or monitored entity.

The monitoring process for fiscal monitoring mimics the process for programmatic monitoring. OLTR will combine the two monitoring types when conducted at the same time and perform planning, fieldwork, reporting, and receive responses for any findings or concerns needing resolution that were noted in the final report.

12.0 Technical Assistance

The OLTR Compliance and Reporting Unit will continuously identify areas of opportunity to provide technical

assistance (TA) where needed. The objective of technical assistance is to ensure compliance with Federal and State regulations and program requirements. The nature and extent of TA will be determined at the discretion of OLTR's Compliance Team. Some examples of TA will include:

- Verbal or written advice;
- Formal training; and/or,
- Documentation and guidance.

When deficiencies are identified through monitoring activities, TA may be required to assist in the resolution of the deficiency. If similar deficiencies are noted for multiple entities, organized TA activities may be coordinated. The training shall be coordinated between monitoring staff and program management staff, and training materials will be posted to the Office of Long-Term Resiliency website for reference.

13.0 Remedies for Non-Compliance

In accordance with 2 CFR 200.338 to .342, in the event that the program/project staff or subrecipient fails to correct identified deficiencies within a time period which is 90 days or greater from the issuance of the official Monitoring Report, OLTR may take one or more of the following actions, as appropriate in the circumstances:

- Temporarily withhold cash payments pending correction of the deficiency by the program/project staff or more severe enforcement action by OLTR.
- Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the award.
- Recommend the Federal Awarding Agency initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations.
- Withhold further awards for the project or program.
- Take other remedies that may be legally available.

Additionally, and as identified within 2 CFR 200.521, OLTR may enact management decisions if continual subrecipient non-compliance or deficiencies exist through incomplete corrective actions. These conditions may arise from monitoring findings as well as audit findings through the use of any federal subaward OLTR has provided. In these cases, OLTR may also utilize the remedies described above in an effort to ensure a subrecipient comes back into compliance. These decisions may occur as a result of the following reviews:

- A systemic or unresolved deficiency from a monitoring engagement as detailed within this section, with the subrecipient responding as outlined within the Response phase; or
- Any deficiency(ies) or determination(s) of non-compliance which are identified through other OLTR-initiated audit review(s), as specified within *Section 6: DEO Audit Requirements of the Rebuild Florida OLTR CDBG-DR and CDBG-MIT Comprehensive Financial and Grant Management Policy Manual*.

For audit reviews, the Bureau of Financial Monitoring and Accountability (FMA) develops monitoring tools and conducts department-wide subrecipient financial monitoring of the department's grant awards and agreements. Audit monitoring and review procedures, including processes related to the tracking and logging of applicable subrecipient audits, delinquent audit notifications, OLTR recordkeeping policy for subrecipient audits, and OLTR involvement in subrecipient resolution of audit findings, are located within the DEO Audit Requirements section of the Financial and Grant Management Policy Manual.

14.0 Disaster Recovery Grant Reporting (DRGR) System Reporting

HUD's DRGR System was developed for the CDBG-DR/MIT program. The system is used by grantees to access grant funds and report performance accomplishments for grant-funded activities. The DRGR system is used by HUD staff to review grant-funded activities, prepare reports for Congress, and monitor compliance of grantees. As required by HUD, OLTR will enter monitoring and TA events in the DRGR system. The monitoring events are created in DRGR after the exit conference and are updated for the issuance of the final report and the responses received from the program/project.

15.0 Record Retention

In accordance with 2 CFR 200.333, financial records, supporting documentation, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditures report. Under 24 CFR 490(d), the State is required to retain records for three years from the time of closeout of HUD's grant to the State, or the period required by other applicable laws and regulation. However, the OLTR has opted to follow guidance outlined in the Department of Financial Services – Reference Guide for State Expenditures which states "the originating agencies are required to maintain the original vouchers, purchasing card transaction receipts and all supporting documentation for a minimum of five fiscal years, provided all applicable audits have been completed." As such, OLTR will retain all applicable monitoring documents for a minimum of five years after the closeout of the grant, as to ensure they stay in compliance with retention requirements.

All materials created and utilized for monitoring purposes shall be public record, except for PII and/or other materials, information or records that are specifically exempt from disclosure under applicable federal or state law.

Before mailing/e-mailing, all signed monitoring letters with attachments must be scanned and saved to the shared drive.

Within three weeks of completion of an onsite, virtual, or desk monitoring, digital copies of all monitoring documentation (forms and checklists, as well as materials copied onsite, provided in a response to a document request, or utilized during the monitoring) shall be saved on the shared drive.

16.0 Communication to Staff

The Monitoring Plan and each subsequent update will be saved to an internal network and forwarded to the appropriate OLTR staff and will also be made available on OLTR's website at www.floridajobs.org/CDBG-DR.

17.0 Certification

This Monitoring Plan formalizes the process by which the OLTR conducts its compliance monitoring for all projects funded under the CDBG-Disaster Recovery Program.