

## DHHS POLICIES AND PROCEDURES

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<b>Section IV:</b>	<b>General Administration</b>
<b>Title:</b>	<b>Subrecipient Monitoring Manual</b>
<b>Chapter:</b>	<b>Monitoring Documentation</b>
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### **Monitoring Documentation**

Successful monitoring will rely on the implementation of a variety of monitoring techniques which are fully documented. Adequate documentation may include the following as well as other formats resulting from the use of a specific technique.

**Monitoring Plan** – The purpose of this manual is to assist divisions in developing a formal monitoring plan. The Division of Health and Human Services (DHHS) Policy and Procedure Manual ([Monitoring of Programs](#)) requires each division with subrecipients to develop and maintain a monitoring plan. The policy also lays out the minimum areas and required information that must be included in a monitoring plan. The monitoring plan should serve as the foundation for all monitoring activity.

**Monitoring Tool/Instrument** - The monitoring tool/instrument is the form(s) used to organize the review. The form is designed to gain factual information about the administration of the grant and to enable the monitors to evaluate risk areas. The monitoring tool/instrument can be designed to accommodate both desk reviews and on-site monitoring or separate forms can be developed for each activity. See Attachment B for a sample monitoring tool/instrument.

**Working Papers** - Working papers are the written record made during the monitoring review and contain the record from the beginning of the review until the report is written. They are important as they document the steps taken in the review process. This includes the monitoring instrument, and detailed notations taken during a review. Well-structured working papers make it easier to transfer material written during the review to the monitoring report. Working papers should be neat, understandable, and restricted to the matters that are relevant. Writing should be kept simple with materials organized for supervisory review and audit.

**Summaries** - Summaries provide objective overview and put findings into perspective and can tie together other related areas.

**Monitoring Results Report** - A clear and accurate formal report of the results of the monitoring review should be written to present the compliance picture to management and the organization providing the funds. The report should contain balancing statements to

provide a complete assessment of the situation and an accurate statement of the conditions found compared to the requirements in law or regulations. For example, a monitoring report could note not only the conditions found during the monitoring review, but also those found by the auditor in the audit report.

***Report on Review and Follow-up of Audit Findings*** - Monitoring includes a review of recent audit findings. The audit findings should be addressed with the subrecipient to verify that corrective action was taken and any debt collected. Communication with the auditor could assist the monitor in learning of any audit work underway that would be relevant to the compliance monitoring review.

***Notification*** - Notification in written form to the subrecipient of the results of the monitoring which outlines any findings and associated corrective action required.

***Corrective Action Plans*** - A corrective action plan outlines the steps the subrecipient proposes to take to address findings of noncompliance. Timely corrections of issues identified as a result of monitoring reviews could prevent findings or disallowed costs during the next audit.

***Closure Letter*** – A closure letter formally accepts the subrecipient’s corrective action plan and indicates that the division believes that the noncompliance issues have been adequately addressed.

*For questions or clarification on any of the information contained in this policy, please contact [Office of the Controller](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).*