



# CA HCD ESG-CV Training Series: Monitoring Process



# Overview

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- The State of California's Department of Housing and Community Development (CA HCD) is required to monitor each program, function, or activity funded by its ESG & ESG-CV award
- Monitoring is not limited to a one-time event but is rather an ongoing process that assesses the quality of ESG & ESG-CV funded program performance over the life of the Standard Agreement and involves continuous communication and evaluation
- The goal of this process is to assist ESG & ESG-CV funded programs with improving performance, increasing capacity, and avoiding or remedying instances of non-compliance



# HCD Grantee Monitoring Overview

- HCD's grantees are required to monitor and report on the performance of their ESG & ESG-CV funded programs, including those implemented by:
  - Internal departments and divisions
  - Service providers and contractors

## EXHIBIT D

### 9. Monitoring Grant Activities

- A. Subrecipient shall monitor the activities selected and awarded by them to ensure compliance with all ESG requirements. An onsite monitoring visit of homeless service providers shall occur whenever determined necessary by the Subrecipient, but at least once during the grant period.
- B. The Department will monitor the performance of the Subrecipient based on a risk assessment and according to the terms of this Agreement. The Department may also monitor any service providers of the Subrecipient as the Department deems appropriate based on a risk assessment.
- C. The Department will monitor the performance of Subrecipient and funded projects based on the performance measures used by HUD in ESG or the Continuum of Care program. In the event that project-level or system-wide performance consistently remains in the lowest quartile compared to all participating Service Areas in the Continuum of Care allocation, the Department will work collaboratively with the Subrecipient to develop performance improvement plans which will be incorporated into this Standard Agreement.
- D. If it is determined that a Subrecipient or any of its service providers falsified any certification, application information, financial, or contract report, the Subrecipient shall be required to immediately reimburse the full amount of the ESG award to the Department, and may be prohibited from any further participation in the ESG program. The Department may also impose any other actions permitted under 24 CFR 576.501 (c).
- E. As requested by the Department, the Subrecipient shall submit to the Department all ESG monitoring documentation necessary to ensure that Subrecipient and its service providers are in continued compliance with all ESG requirements. Such documentation requirements and the submission deadline(s) shall be provided by the Department when the information is requested from the Subrecipient.
- F. Subrecipient and its service providers shall cooperate with the Department and shall make available to the Department all information, documents, and records reasonably requested. Copies of these items will also be made available to the Department upon their request. Subrecipient shall provide the Department the reasonable right of access to the Site during normal business hours for the purpose of assuring compliance with this Agreement and evaluating the Subrecipient's performance.





# HCD Grantee Monitoring Overview

- HCD's grantees are expected to make all program records available to CA HCD for, and to participate in, regular monitoring events
- This training will outline CA HCD's approach to monitoring which grantees may choose to adopt

## EXHIBIT D

### 25. Audit/Retention and Inspection of Records

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A. Subrecipient agrees to maintain accounting books and records in accordance with Generally Accepted Accounting Principles, per 2 CFR 200.49. Subrecipient agrees that the Department, the Department of General Services, the Bureau of State Audits, the Department of Housing and Urban Development, or their designated representatives, shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement. Subrecipient agrees to maintain such records for possible audit for five (5) years after the Department closes its HUD grant or any other period specified in 24 CFR §576.500 (y).

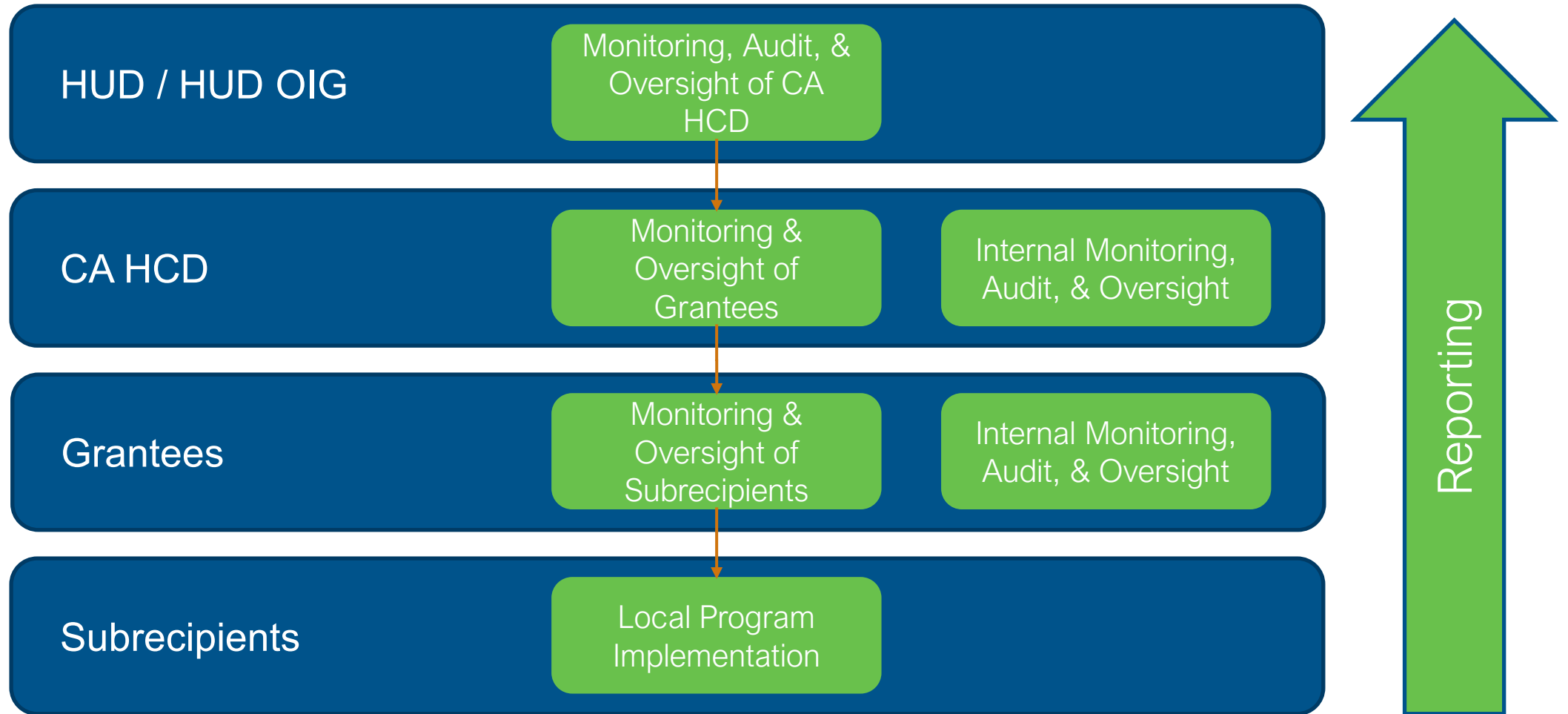
**NOTE:** Record retention is based on *the Department's HUD closing date; NOT five (5) years from this Agreement expiration*. The retention requirement can extend beyond five (5) years after this Agreement expires. Therefore, the Subrecipient must contact the Department for the specific record retention date for this Agreement. Subrecipient agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of employees who might reasonably have information related to such records. Further, Subrecipient agrees to include a similar right of the Department to audit records and interview staff in any subcontract related to performance of this Agreement.

B. If Subrecipient receives federal funds that, in the aggregate, equal or exceed the threshold identified in the Uniform Administrative Requirements, the Subrecipient must have an annual single audit in compliance with the Single Audit Act of 1984, as amended and comply with 2 CFR Part 200, Subpart F. The audit shall be performed by a qualified State, local or independent auditor. Subrecipient shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for audit shall include a clause which permits access by the Department to the independent auditor's working papers. Audits shall be submitted to the Department when completed but no later than nine months following the close of the fiscal year. Subrecipient shall take corrective actions on any issues noted during the audit within six months of the date of receipt of the reports. HCD shall consider sanctions as described in 2 CFR § 200.505 if the Subrecipient is not in compliance with these audit requirements.

C. Subrecipient, its service providers, and their contractors, or subcontractors shall comply with the audit requirements contained in 2 CFR Part 200.



# Roles & Responsibilities





# Process & Outcomes



Potential Monitoring Outcomes	
<b>Clearance:</b>	No violation of the program regulations or Standard Agreement requirements
<b>Concern:</b>	A condition, that if not corrected, may result in a violation of the program regulations or Standard Agreement requirements
<b>Finding:</b>	A violation of the program regulations and/or Standard Agreement requirements

\*Failure to address findings in accordance with the recommended corrective action may result in the temporary denial of reimbursement, repayment of previous reimbursements, or termination of the agreement



Determine Pool

Conduct Assessment

Complete Records

Finalize Results

- Consistent with HUD requirements detailed in the [CPD Monitoring Handbook](#) and [CPD Notice 14-04](#), CA HCD conducts a risk assessment on entities implementing ESG & ESG-CV funded activities to identify the risk of fraud, waste, abuse, and non-compliance
- Grantees enter the risk assessment pool six (6) months after the Standard Agreement has been executed and will remain in the pool until closeout







Determine Pool

Conduct Assessment

Complete Records

Finalize Results

- CA HCD will complete a **Risk Assessment Worksheet** for each grantee in the risk assessment pool to determine the level of risk they pose
  
- The risk assessment is measured on a 100-point scale whereby each grantee is assigned points for various factors which are summed up to a total score that corresponds with the following risk categories:
  - High risk (51-100)
  - Medium risk (30-50 points)
  - Low risk (0-29 points)



# Risk Assessment



Determine Pool

Conduct Assessment

Complete Records

Finalize Results

ESG-CV Summary Risk Analysis Worksheet		
Name of Subrecipient:		Fiscal Year Review:
Name of HCD Evaluator:		Date:
<b>Description: To Be Completed By Evaluator</b>		<b>Evaluator's Rating</b>
<b>Factor 1 – Grant Management</b>		
	(High/Medium/Low)	Evaluator's Rating
A. Grantee Reporting	(3/2/0)	0
B. Grantee Staff Capacity	(5/3/0)	0
C. Program Complexity	(5/3/0)	0
D. Grantee Findings and Sanctions (Monetary and OIG)	(17/8/0)	0
E. Grantee Cross-Cutting Requirement Compliance	(2/0)	0
<b>Subtotal for Grant Management</b>	<b>(Max. 32 pts.)</b>	<b>0</b>
<b>Factor 2 – Financial Management</b>		
	(High/Medium/Low)	Evaluator's Rating
A. Staff Capacity for Financial Compliance	(10/5/0)	0
B. Grant Amount	(3/2/0)	0
C. Grantee A-133 Audits	(2/0)	0
D. Program Administration Cap	(5/3/0)	0
E. Expenditure Requirements	(10/5/0)	0
<b>Subtotal for Financial Management</b>	<b>(Max. 30 pts.)</b>	<b>0</b>
<b>Factor 3 - Services &amp; Satisfaction</b>		
	(High/Medium/Low)	Evaluator's Rating
A. Grantee Citizen Complaints or Negative Media Exposure	(3/2/0)	0
B. Grantee Responsiveness	(2/0)	0
C. Meeting Program Objectives	(5/3/0)	0
D. Homelessness Prevention/ Rapid Re-Housing	(5/0)	0
E. Emergency Shelter and Temporary Emergency Shelter	(10/5/0)	0
<b>Subtotal for Services &amp; Satisfaction</b>	<b>(Max. 25 pts.)</b>	<b>0</b>
<b>Factor 4 - Physical</b>		
	(High/Medium/Low)	Evaluator's Rating
A. Physical Condition of Emergency Shelters/ Temporary Emergency	(13/6/0)	0
<b>Subtotal for Physical Assets (Leasing or Rental Assistance)</b>	<b>(Max. 13 pts.)</b>	<b>0</b>
<b>Total Overall ESG-CV Risk Score</b>	<b>(Max. 100 pts.)</b>	<b>100</b>

CRITERIA 1 – GRANT MANAGEMENT				
CRITERIA 1 – GRANT MANAGEMENT	Risk Category	Risk Score	Evaluator's Score	Evaluator's Comments
<p><b>Factor Definition:</b> Extent to which the subrecipient has the capacity to carry out ESG-CV activities according to established requirements.</p> <p><b>Rating Considerations:</b> The basis for the Evaluator's rating in this factor is based on information that directly evidences the subrecipient's capacity to administer the grant, including: scope of eligible activities and subawardees; progress in implementing the project, changes in staff during the last year, lack of experience with Federal grants or project activities, and frequency and level of technical assistance required by the subrecipient to carry out activities. The following reports and reporting systems can be considered, including but not limited to: Consolidated Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Integrated Disbursement and Information System (IDIS), Analysis of Impediments to Fair Housing Choice, Office of Inspector General (OIG) audits, and other reporting mechanisms and systems. Environmental Compliance, Relocation and Acquisition Policies Compliance and Flood Insurance Protection Compliance may be considered.</p> <p>The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.</p>				
<p>A. ESG-CV Subrecipient Reporting</p> <p>Criteria: Risk is based on the subrecipient meeting deadlines while ensuring completeness and accuracy of information contained therein.</p> <p>The following documents, if available, are helpful in performing the review: Reports and submissions of program performance data for Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), ESG-CV Quarterly Reports, and Federal Funding and Accountability Transparency Act (FFATA) reports.</p>				
i. Two or more of subrecipient's required submissions for the duration of the program are incomplete; OR are received 30 days or more after prescribed timeframes; OR contain inaccurate data on key compliance areas such as expenditure caps and matching requirements.	High	3		
ii. One of the subrecipient's required submissions for the duration of the program are incomplete; OR are received 30 days or more after prescribed timeframes; OR contain inaccurate data on key compliance areas such as expenditure caps and matching requirements.	Medium	2		
iii. All subrecipient's required submissions are complete AND have been received by the HCD within prescribed timeframes for the duration of the program.	Low	1		



Determine Pool

Conduct Assessment

Complete Records

Finalize Results

- The results of each risk assessment should be entered into the **Risk Assessment Tracker**
- Once all risk scores have been entered, rank all grantees in order from highest to lowest risk based on their total score

Subrecipient Name	Effective Date of Agreement	Date of Risk Assessment	Risk Score	Risk Level	Priority	Target Month for Event	Event Type	Last Year Risk Score	Date of Last Event	Last Event Type



Determine Pool

Conduct Assessment

Complete Records

Finalize Results

- Each risk assessment must be supported by documentation in accordance with the **Risk Assessment File Checklist**

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
ESG-CV Risk Assessment File Checklist

Subrecipient Name:	
Risk Assessment Determination:	

General	
<input type="checkbox"/>	ESG-CV Risk Assessment Worksheet
<input type="checkbox"/>	Copies of Documents Reviewed
<input type="checkbox"/>	Correspondence
<input type="checkbox"/>	Risk Assessment Tracker

Other	
<input type="checkbox"/>	Enter description
<input type="checkbox"/>	Enter description
<input type="checkbox"/>	Enter description
<input type="checkbox"/>	Enter description



Determine Pool

Conduct Assessment

Complete Records

Finalize Results

- Once all risk assessments have been completed, CA HCD will perform a review of each risk assessment file to ensure the documentation supports the results
- Once the **Risk Assessment Tracker** has been approved, the risk assessment is complete



Develop Plan

Finalize Plan

- The monitoring plan serves as a roadmap that prioritizes monitoring higher risk grantees
  
- Based on the results of the risk assessment, complete the **Monitoring Plan Tracker** to identify:
  - All grantees in order from highest to lowest risk
  - The projected timeline of the monitoring events
  - CA HCD and grantee contact information
  - The type of monitoring event (on-site or desk) to be conducted and the area(s) that will be reviewed





Develop Plan

Finalize Plan

- A **Desk Monitoring** consists of an in-depth financial review of at least one Request for Funds (RFF) per grantee, per quarter, to ensure appropriate source documentation is maintained
- An **On-Site Monitoring** is a comprehensive review of high-risk grantees and their compliance with one or more program requirements including, but not limited to, activity and participant eligibility, data collection and reporting, as well as other federal requirements
  - *On-Site Monitoring may be conducted remotely due to extenuating circumstances that prevent the event from being conducted on-site (e.g., COVID-19)*



Develop Plan

Finalize Plan

- CA HCD will perform a review of the **Monitoring Plan Tracker** to ensure it is complete and accurately reflects the results of each risk assessment
- Upon approval, the **Monitoring Plan Tracker** shall be distributed to relevant staff



Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda

- Complete a **Monitoring Strategy** for each grantee being monitored by defining the type of monitoring (on-site or desk) to be performed, the area(s) that will be reviewed, and the checklists to be used
- Identify any records that will be reviewed during the monitoring in the **Document Request Checklist**



# Monitoring Preparation



Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**ESG-CV Monitoring Strategy**

<b>Subrecipient Name:</b>	Name	
<b>Subrecipient POC and Contact Information</b>	Name, Title, Address, Phone, Email	
<b>Risk Assessment Score and Rank:</b>	Score:	Rank:
<b>Type of Monitoring:</b>	On-site / Desk	
<b>Date of Monitoring:</b>	Beginning and End Date	
<b>Location of Monitoring:</b>	Address	
<b>Lead Monitor:</b>	Name	
<b>Monitoring Team:</b>	Names	
<b>Areas to be Reviewed:</b>	Financial Management, Activity Eligibility, National Objective, etc.	
<b>Checklists to be Used:</b>	Exhibit 1-1; Exhibit 1-2; etc.	
<b>Number of Open Findings:</b>	0	
<b>Other Areas of Concern:</b>	Underperformance, high number of citizen complaints, etc.	
<b>Travel Arrangements and Costs:</b>	Driver, hotel or other costs	
<b>Estimated Staff Hours:</b>	Three day event x five monitors @ eight hours per day = 120 hours	

**Prepared By:**  
Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Approved By:**  
Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**ESG-CV Document Request Checklist**

General Administration and Capacity	
<input type="checkbox"/>	Written Standards related to ESG-CV funded projects and activities
<input type="checkbox"/>	Executed Standard Agreement and amendment(s), if applicable
<input type="checkbox"/>	Organizational chart including staff working on ESG-CV programs
<input type="checkbox"/>	List of key personnel and job descriptions
<input type="checkbox"/>	Names of key personnel and resumes
<input type="checkbox"/>	Staffing plan for unfilled positions including staff turnover
<input type="checkbox"/>	Evidence of training provided to all ESG-CV funded staff
Financial	
<input type="checkbox"/>	Approved budget
<input type="checkbox"/>	Requests for Funds (RFFs) submitted to HCD
<input type="checkbox"/>	Invoices and supporting documentation for all costs reimbursed with ESG-CV funds
<input type="checkbox"/>	Accounting records (e.g., chart of accounts, general ledger, expenditure report, etc.)
Contracts and Procurement	
<input type="checkbox"/>	Subcontracts and other written agreements governing ESG-CV funds
<input type="checkbox"/>	Procurement records
Project/Activity Records	
<input type="checkbox"/>	Cientele list (number of clients, status of application, address or location of assistance)
<input type="checkbox"/>	Evidence of activity delivery per scope of work in Standard Agreement
<input type="checkbox"/>	Progress reports submitted to HCD
<input type="checkbox"/>	Documentation that project meets a National Objective
<input type="checkbox"/>	Evidence of compliance with Duplication of Benefits requirements
<input type="checkbox"/>	Environmental Review Records (ERR)
Monitoring and Audits	
<input type="checkbox"/>	Monitoring and Audit reports issued (HCD, HUD, HUD OIG, or single auditor)
<input type="checkbox"/>	Evidence of actions taken in response to findings or recommendations, if applicable
<input type="checkbox"/>	Evidence of internal oversight measures
Citizen Complaints	
<input type="checkbox"/>	Citizen complaint tracker
<input type="checkbox"/>	Citizen complaints and responses

**\*NOTE:** Additional documentation may be requested based on the type of activity implemented, the monitor's examination of documentation provided, or discussions with implementing staff or clients



Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda

- Assemble a file for each monitoring to be performed utilizing the **Monitoring File Checklist**
- CA HCD will review each monitoring file to ensure appropriate parameters have been defined in the **Monitoring Strategy**
- Upon approval, the **Monitoring Tracker** should be updated to reflect the finalized approach



# Monitoring Preparation



Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**ESG-CV Monitoring File Checklist**

<b>Subrecipient Name:</b>	<i>Name</i>
<b>Type of Monitoring:</b>	<i>On-site / Desk</i>

General		
<input type="checkbox"/>	Risk Assessment Worksheet	Date:
<input type="checkbox"/>	Intent to Monitor Letter	Date:
<input type="checkbox"/>	Completed Monitoring Review Checklist(s)	Date:
<input type="checkbox"/>	Copies of Documents Reviewed	
<input type="checkbox"/>	Completed Monitoring Report	Date:
<input type="checkbox"/>	Follow-Up Correspondence	Date:
<input type="checkbox"/>	Clearance Letter	Date:

Monitoring Review Checklist(s) Used		
<input type="checkbox"/>	<i>Enter description (e.g., Exhibit 1-1)</i>	
<input type="checkbox"/>	<i>Enter description (e.g., Exhibit 1-2)</i>	
<input type="checkbox"/>	<i>Enter description (e.g., Exhibit 1-3)</i>	
<input type="checkbox"/>	<i>Enter description (e.g., Exhibit 1-4)</i>	

Other		
<input type="checkbox"/>	<i>Enter description</i>	
<input type="checkbox"/>	<i>Enter description</i>	
<input type="checkbox"/>	<i>Enter description</i>	
<input type="checkbox"/>	<i>Enter description</i>	





Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda

- Once the date of the monitoring is determined, an **Intent to Monitor Letter** will be sent to the grantee at least 30 days before the monitoring event
- The letter should include the following:
  - Date(s) of the monitoring event and a statement indicating whether the review will occur remotely or on-site
  - Activity(ies) and area(s) to be reviewed
  - Attach the **Monitoring Checklists** to be used during the event
  - Attach the **Document Request Checklist**



# Monitoring Preparation



Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda

DATE

NAME, TITLE  
GRANTEE  
ADDRESS

**SUBJECT: Notification of Intent to Monitor the ESG-CV GRANTEE**

Dear NAME:

The State of California's Department of Housing and Community Development (HCD) is responsible for ensuring its ESG-CV funded activities are implemented in accordance with all program regulations and grant requirements. To fulfill our administrative obligations, HCD is notifying you of its intent to conduct A DESK/AN ON-SITE monitoring of GRANTEE (STANDARD AGREEMENT NUMBER) beginning on DATE at TIME. The monitoring visit will take place REMOTELY/AT YOUR OFFICES located at ADDRESS.

The purpose of the monitoring is to determine whether GRANTEE is compliant with all regulations governing administrative, financial, and programmatic operations, and is achieving its performance objectives on time and within the budget.

The monitoring will be led by MONITOR NAME. To facilitate your preparation, a copy of the Document Request Checklist is enclosed. To optimize the available monitoring time, please ensure the documentation is submitted within 30 days from the date of this letter VIA DOCUMENT SUBMISSION PROCESS. Be sure to take reasonable measures to safeguard Personally Identifiable Information (PII).

The review may include, but is not limited to, the following areas:

- Subrecipient policies and procedures
- Reimbursement requests
- Performance reports

We appreciate the cooperation of your staff in accommodating this monitoring review. If you have any questions regarding this matter, please contact MONITOR NAME at (XXX) XXX-XXXX.

Sincerely,

NAME  
TITLE

Enclosure  
cc: NAME, TITLE



Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda

- Prepare the **Entrance Conference Agenda**

- Monitors are encouraged to review the following records before the monitoring to become familiar with the activity(ies) and identify any potential deficiencies:

- Standard Agreement
- Performance Reports
- Requests for Funds (RFF)
- Written Standards
- Copies of audit reports



Host Entrance Conference

Perform Monitoring Review

Conduct Exit Conference

Finalize Records

- An entrance conference shall be held at the start of the monitoring event to ensure the grantee has a clear understanding of the purpose, scope, and schedule for the monitoring
- Confirm key logistics such as availability of key staff and access to the grantee's relevant files



Host Entrance Conference

Perform Monitoring Review

Conduct Exit Conference

Finalize Records

## Entrance Conference

**Date:**  
**Time:**  
**Location:**

## Agenda

1. Welcome & Introductions
  - a. Overview of entrance conference
  - b. Name, position, role
  - c. Contact information (see Contact List)
2. Monitoring Overview
  - a. Purpose
  - b. Scope
  - c. Process
  - d. Timeline
3. Logistics
  - a. Office (e.g., restrooms, fire exit, lunch break, etc.)
  - b. Schedule staff interviews (see Appointments Log)
4. Questions



Host Entrance Conference

Perform Monitoring Review

Conduct Exit Conference

Finalize Records

- Complete the **Monitoring Checklist(s)** by answering each question with a 'Yes', 'No', or 'Not Applicable'
- Each answer must include a written justification for the conclusion
  - Relevant source documentation should be referenced with a copy attached in the monitoring file (especially in circumstances where it substantiates a finding or concern)
  - Where feasible, interview the grantee's staff to assess their understanding of the program requirements and capacity to implement the program in a compliant manner





# Monitoring Fieldwork



Host Entrance Conference

Perform Monitoring Review

Conduct Exit Conference

Finalize Records

- Depending on the area(s) being monitored, CA HCD may need to select a sample of client files to review
- The type of client files subject to review should be based on the parameters of the monitoring event
  - Example: if the monitoring is focused on participant eligibility, CA HCD staff should review client files that have been deemed eligible to verify the grantee's eligibility process is compliant with all program requirements
- The number of client files subject to review should be based on the complete list (universe) of all clients reported to date

Client Files (Universe)	Client Files (Sample)
Less than 50 client files	10 client files
Between 50-100 client files	20 client files
More than 100 client files	30 client files



Host Entrance Conference

Perform Monitoring Review

Conduct Exit Conference

Finalize Records

- At the conclusion of the monitoring, CA HCD shall host an exit conference with the grantee’s key personnel to discuss any preliminary findings and concerns as well as the next steps in the monitoring process
- For each finding or concern, the grantee will be provided:
  - An opportunity to correct any misunderstandings
  - A preview of the required corrective action that will be included in the **Monitoring Report**



Host Entrance Conference

Perform Monitoring Review

Conduct Exit Conference

Finalize Records

- Before drafting the **Monitoring Report**, ensure all questions from the **Monitoring Checklist(s)** have been answered and are supported by source documentation
- All documentation collected prior to, during, and after the monitoring must be saved in the monitoring file



Host Entrance Conference

Perform Monitoring Review

Conduct Exit Conference

Finalize Records

- CA HCD will review the monitoring event file to ensure the source documentation supports the conclusions drawn in the **Monitoring Checklist(s)**
- Upon approval, the **Monitoring Plan Tracker** should be updated to reflect the findings, concerns, and observations that will be included in the **Monitoring Report**



Prepare  
Monitoring  
Report

Issue  
Monitoring  
Report

Update  
Records

- Prepare a draft **Monitoring Report** to the grantee outlining the results of the monitoring event including:
  - Date of the monitoring
  - Scope of the monitoring review
  - Any findings, concerns, or observations for the grantee
  - Required corrective actions needed
  - Timeline for response



Prepare Monitoring Report

Issue Monitoring Report

Update Records

- CA HCD will review the draft **Monitoring Report** to ensure all findings and concerns include the condition, criteria, cause, effect and required corrective action
- Once approved, the final **Monitoring Report** should be issued to the grantee within 30 days after the monitoring review



Prepare  
Monitoring  
Report

Issue  
Monitoring  
Report

Update  
Records

- Ensure all necessary documentation and correspondence is maintained in accordance with the **Monitoring File Checklist**
- Update the **Monitoring Plan Tracker** to include key information and deadlines associated with each monitoring event, any findings and concerns, and the status of each



Review Response

Issue Non-Compliance Letter

Issue Clearance Letter

Finalize Records

- Grantees have 30 days to respond to all findings in the **Monitoring Report**, unless otherwise specified
- CA HCD will review the response to ensure the grantee has addressed each finding as described in the corrective action
- If all findings are not adequately addressed, schedule a meeting with the grantee to provide technical assistance and map out a strategy for resolving open findings and concerns





Review Response

Issue Non-Compliance Letter

Issue Clearance Letter

Finalize Records

- If a written response is not received within 30 days of the **Monitoring Report** being issued, CA HCD will issue a **Non-Compliance Letter** to the grantee requesting their response within 15 days
- CA HCD may take one or more of the following actions if a grantee fails to correct identified deficiencies:
  - Temporarily withhold reimbursements until findings are addressed
  - Request the repayment of previous reimbursements for disallowed costs
  - Wholly or partly suspend or terminate the award



Review Response

Issue Non-Compliance Letter

Issue Clearance Letter

Finalize Records

- Once all findings have been remediated, prepare a draft **Clearance Letter** to the grantee
  - If the monitoring did not result in any new findings or concerns, the Monitoring Report will serve as the Clearance Letter
- CA HCD will review the **Clearance Letter** and the documentation supporting the resolution of the open findings
- Upon approval, send the **Clearance Letter** to the grantee and update the **Monitoring Plan Tracker**



Review  
Response

Issue  
Clearance  
Letter

Issue Non-  
Compliance  
Letter

Finalize  
Records

- The monitoring event is complete once the following two conditions have been met:
  - A Clearance Letter has been issued to the grantee
  - The monitoring file contains all correspondence and documentation collected throughout the monitoring process as specified by the **Monitoring File Checklist**



Thank you for listening.



