

Contract Monitoring

Family Support Services conducts statewide monitoring for grantees and contractors that administer its programs. Below is an overview of what grantees should expect in the monitoring process.

Contract Monitoring Activities

Contract monitoring is a review and analysis of a sample of programs that receive funding through the Family Support Services program.

Contract monitoring may consist of:

- Conducting a review of bills and comparing them to the grant/contract and approved budget.
- Analyzing plan changes and amendments received by the program.
- Assessing overall spending patterns.
- Ensuring grants/contracts are in compliance through the review of database reports, information from technical assistance providers, and any program issues and needs identified by grantees and contractors.

On-Site or Desk Review Contract Monitoring

Contract monitoring is the formal review of a grantee or contractor's financial, personnel, service and client records, as well as program activities.

The objective of a monitoring, conducted either on-site or through a desk review, is to ensure grantees and contractors are compliant with applicable state and federal regulations, Health and Human Services Commission policies and procedures, and contract terms.

Contract monitors may find grantees or contractors to be non-compliant when they:

- Fail to provide adequate services to the community.
- Create possible harm to clients.
- Divert resources.

Grantees and contractors must maintain accounting records of funding it receives from HHSC and provide reasonable evidence that their service delivery is consistent with service provisions as described in the contract.

An annual agency-wide risk assessment identifies which grantees or contractors will be monitored for the upcoming fiscal year. Contract monitors contact the identified providers to discuss and agree to monitoring dates. The monitors then mail a letter identifying the inclusive dates and location of the visit, the purpose of the visit, and a list of information the grantee or

contractor must have available for review. The letter also includes agency contact information if there are any questions.

Types of Contract Monitoring

There are three kinds of monitoring. Fiscal monitoring is an examination of the grantee or contractor's financial statements, records and procedures. Programmatic monitoring determines if their service delivery is consistent with contract provisions and submitted reports. Administrative monitoring focuses on the grantee's operations and management of the grant or contract.

Fiscal Monitoring

Fiscal monitoring is similar to an audit but occurs more frequently and is less detailed.

Fiscal monitoring includes but is not limited to:

- Reviewing the grantee or contractor's bills.
- Comparing budgets and budget limits to the actual costs.
- Comparing grantee or contractor's actual internal controls with the Internal Control Structure Questionnaire.
- Obtaining reasonable documentation that services billed were delivered according to the contract.
- Comparing bills with supporting documentation to determine whether costs were allowable, necessary or can be assigned.

Programmatic Monitoring

Programmatic monitoring compares actual service delivery to the description of performance objectives and measures identified in the contract.

Program monitoring may include any or all of the following:

- Reviewing the service provisions of the contract to determine what the grantee or contractor should provide and the desired quality.
- Reviewing the grantee or contractor's reports and other materials to determine if services are being provided.
- Interviewing direct delivery staff and others to determine if the services are being performed according to the contract.
- Conducting on-site reviews, when appropriate, to check the nature and quality of the services being provided.

Administrative Monitoring

Administrative monitoring focuses on the grantee's operations and management of its agreement with Family Support Services, and assesses the grantee's compliance with grant requirements.

Administrative monitoring may include any or all of the following:

- Review of credentials and personnel files to verify required training, background checks, qualifications, and licensure.
- If applicable, ensure cybersecurity training is completed for all subcontractors, and contracted employees who have access to identified FSS computer systems: PEIRS
- Review of governance structure, internal controls, required insurance, operating and business procedures, including subcontracting, if applicable.

Typically, only the contract monitors will conduct the on-site monitoring visit. Sometimes other staff members such as the program specialist or the section lead may accompany them on the visit.

HHSC staff will conduct an entrance conference with grantee or contractor staff to discuss the monitoring process and answer any initial questions from the contractor before performing on-site monitoring. The grantee's executive director, fiscal staff and program staff generally attend this meeting.

Exit Conference

After concluding the fiscal and programmatic review, HHSC will conduct an exit conference to provide an overview of the monitoring visit and an initial review of findings and observations.

The agency's executive director will typically attend the exit conference, as well as agency fiscal and program staff members. Depending upon the program, board members or community members involved with the program may also attend.

Follow-Up Visits and Final Reports

HHSC will send an initial monitoring report to the grantee or contractor to provide a formal notification of any findings and observations noted during the monitoring visit. The report will clearly indicate whether the provider must respond and include a due date. HHSC will notify the grantee or contractor in writing if a follow-up monitoring visit is necessary and will schedule a date.

The final monitoring report will note that no response is required and that HHSC has concluded monitoring for that fiscal year.

Grantees or contractors who have any questions about the monitoring process should call their designated contract manager. Monitors are available to discuss ideas to strengthen and enhance services provided to the community.