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Fiscal Monitoring

**Essential Elements for a
Successful Monitoring Review**

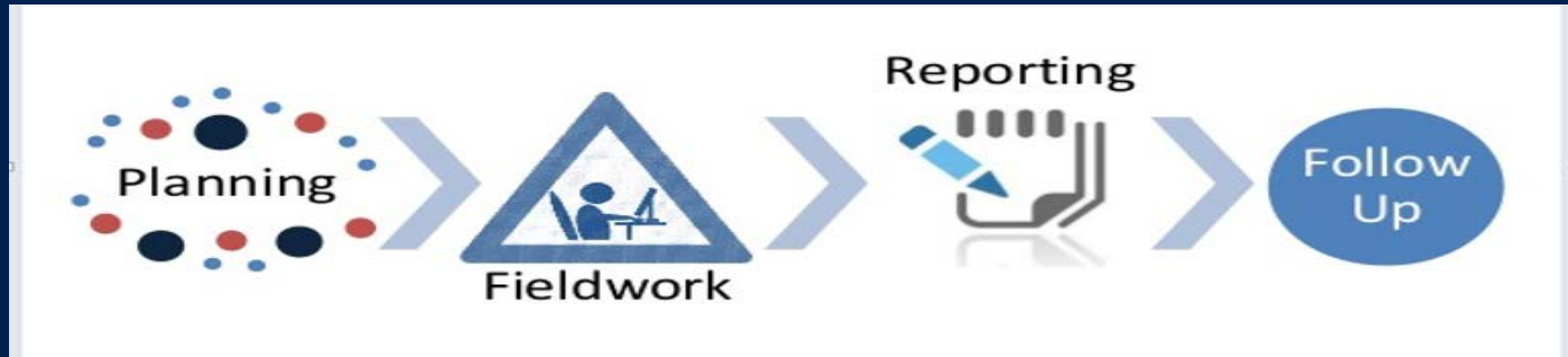
Fiscal Monitoring Stages



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Four main stages:



Planning

1. Establish Team Member Responsibilities
2. Review Previous Year Fiscal and Program Monitoring Results
3. Establish Communication Channels with Administrative Agency
4. Information Gathering: First RFI deadline



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Planning Continued

5. Gain an Understanding of the Administrative Agency Financial Management System
6. Determine Scope of the Review (One quarter)
7. Generate Test Samples: Second RFI deadline
8. Final Meeting and Milestones



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Fieldwork

1. Detailed Testing of Salaries and/or Expenditures
2. Test Cost allocation Methodologies
3. Equipment Testing
4. Review of Bank Reconciliations



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Fieldwork Continued

5. Review of Policies and Procedures

6. Staff Interviews

7. Exit Conference



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Wrap up & Reporting

1. Debriefing Meeting with Management
2. Request additional Documentation as needed
3. Complete Testing
4. Management Review of Procedures & Work Papers



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Wrap up & Reporting Continued

5. Determine Final List of Findings and Recommendations
6. Draft Report:
 - Corrective Action Plan Form, if applicable
 - NOT final report so opportunity for dialogue
7. Evaluate Grantees' Management Responses
8. Issue Final Report



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Follow up

1. Successful Implementation of Corrective Action Plans. Attachment included with Draft Report.
2. Additional Testing or Scope Expansion, as needed
3. Sanctions
 - a. Enhanced monitoring
 - b. Additional sanctions, as needed



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Common Issues - General

1. No distinct cost center
2. FSR does not reconcile to G/L
3. Bank reconciliations not timely
4. Admin staff do not keep timesheets or equivalent
5. Program income not reported correctly
6. Program income not used correctly
7. Inadequate monitoring of subcontractors
8. Internal control deficiencies
 - a. Missing or outdated policies and procedures
 - b. Lack of board oversight
 - c. Inadequate segregation of duties



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Expenditure Issues

1. Unallowable costs
 - a. Advertising,
 - b. Interest, penalties, sales tax
 - c. Travel
2. Insufficient documentation for amounts billed
3. Prior Period or future costs
4. Costs not properly allocated including use of budgeted percentages or estimates
5. Internal control deficiencies
 - a. Missing approvals
 - b. Missing proof of payment



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Questions / Comments



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Thank you

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