

Community Services Block Grant Final Monitoring Report

BACKGROUND

The Community Services Block Grant (CSBG) provides assistance to states and local communities working through a network of Community Action Agencies (CAAs) and other neighborhood-based organizations for the reduction of poverty (hereinafter referred to as eligible entities). CSBG supports the revitalization of low-income communities, and the empowerment of low-income families and individuals to become fully self-sufficient. CSBG-funded activities create, coordinate, and deliver a broad array of services to low-income Americans. The grant's purpose is to fund initiatives to change conditions that perpetuate poverty, especially unemployment, inadequate housing, poor nutrition, and lack of educational opportunity.

The Governor of Kentucky designated the Kentucky Division of Community Based Services (DCBS) as the appropriate lead agency for the administration of CSBG. The Commonwealth of Kentucky CSBG provides funding, technical assistance, and support to twenty-three (23) eligible entities. Together the agencies provide an array of services within the Commonwealth of Kentucky to address local area needs. Services may include housing, energy assistance, nutrition, employment and training, as well as transportation, family development, childcare, health care, emergency food and shelter, domestic violence prevention services, money management, and micro-business development.

MONITORING AUTHORITY

CSBG Monitoring is conducted to examine the implementation, performance, compliance, and outcomes of a state's CSBG and to certify that the state is adhering to the provisions set forth in Title II – Community Services, of the Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Public Law 105-285 (Section 678B(c)). As per the CSBG statute, the onsite review examines the state and its eligible entities assurances of program, fiscal and governance operations, as well as the state's oversight procedures for its eligible entities.

SCOPE OF REVIEW

OCS federal staff conducted the on-site review of the Kentucky CSBG grantee and its eligible entities from Monday, December 03, 2018 through Friday, December 07, 2018. The periods reviewed included the Fiscal Year(s) (FY) 2017 grant award.

METHODOLOGY

OCS reviewed documented procedures and practices for administrative, fiscal, and program operations and interviewed the Kentucky officials responsible for administering CSBG.

OCS reviewers:

- Evaluated compliance of state-level assurances, administrative, fiscal, program, and governance requirements.

- Evaluated the state's monitoring procedures and practices to determine eligible entities compliance with the state-level assurances.

The Kentucky DCBS was sent an Initial Report on January 7, 2019 for which there were 30 days to provide a response. The state was given an additional 30 days to submit a response to the draft report. All written responses were read and evaluated.

PROGRAMMATIC ANALYSIS:

During our review of programmatic operations, OCS reviewers documented the following issues of non-compliance, and opportunities for improvement. The issues of non-compliance will require your immediate attention.

Issues of Non-Compliance

- Issue 1: As required under Section 678B of the CSBG Act, entities' boards must be comprised of at least one third representatives of low-income individuals and families, one third elected officials (or their appointees), and the remainder business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

Although OCS observed that DCBS is notified regularly of the board composition by eligible entities, there is no formal policy or process in place for determining how long eligible entities have to fill the vacancies. DCBS is notified of board composition several times throughout the course of a year including during the submission of their Annual Plans, the monitoring review, the organizational standards review and on a quarterly basis when the eligible entities submit their quarterly reports. OCS noted in its review that there are at least two eligible entities with vacancies on their board lasting more than six months during the period of review.

- Required Action 1: Establish policies and procedures for ensuring timely action by eligible entities to fill vacancies in tripartite boards.

Grantees' Response:

DCBS has established the following policy and procedures for monitoring Community Action Agency's (CAA) board vacancies in order to ensure timely action in filling vacancies:

- (1) DCBS has established procedures for agencies to report both when a board positions become vacant and when filled. A timeframe of 90 days for filling CAA board vacancies is also established. The procedures and timeframe will be included in the contract with the 23 eligible entities. If an agency is unable to fill the vacancy within the timeframe, the agency may request an extension in writing and provide a plan to fill the vacancy.
- (2) To facilitate reporting and tracking vacancies, eligible entities will submit an Agency Tripartite Board Tracking Tool to DCBS after every board meeting.
- (3) DCBS will review the tool and track compliance, including any requests for extension by eligible entities.
- (4) Compliance with the procedures and timeframe will be included in the annual contract monitoring conducted by the Division of Administration and Financial Management

(DAFM). In addition, board vacancies will be reviewed annually as part of the Organizational Standards Monitoring;

- (5) Eligible entities found to be non-compliant with the procedures or timeframe will be required to develop a corrective action plan to resolve the non-compliance issue. This plan will be submitted to and approved by DCBS.

OCS Decision:

The grantee has resolved the issue to our satisfaction by establishing policies and procedures for ensuring tripartite board compliance. **This finding is closed.**

Opportunities for Improvement

- Item 1: DCBS has a contract with the state association, the Community Action of Kentucky, which includes assisting with the collection of performance data on a quarterly basis from the eligible entities. Although the state has access to the performance data upon request through the state association, DCBS does not have routine direct access to the data nor do they maintain performance data submitted by the eligible entities within the state CSBG office. Although the state association is responsible for collecting the performance data from the eligible entities on a quarterly basis, by maintaining a personal record of the data at the state level, responsibility is being taken for the accuracy of the data collected from the eligible entities.
- Recommended Action 1: Establish procedures to ensure direct access to eligible entity performance data within DCBS.

Grantees' Response:

Upon our review of OCS' recommendation to establish procedures to ensure direct access to eligible entity performance data within DCBS, DCBS will work with CAK to explore avenues to obtain direct access to the data.

OCS Response:

Please provide an update on state plans for oversight and direct access to eligible entity performance data as part of the next state CSBG State Plan submission.

FISCAL ANALYSIS

During our review of your fiscal operations, OCS found no issues of non-compliance or opportunities for improvement.

ADMINISTRATIVE ANALYSIS

During our review of your administrative operations, OCS found no issues of non-compliance or opportunities for improvement.

SUMMARY

This report is considered final. We would like to thank you, the staff, and the eligible entities visited for their cooperation and assistance during the Monitoring Review of Kentucky. OCS agrees with the corrective action taken by DCBS on Finding 1, and will close the required actions.

If you or your staff has any questions, please contact David Barrie at (202) 205-3589 or david.barrie@acf.hhs.gov.