

**Governor's Office of Planning and Research
Readiness Review Table**

Overall Assessment: The oversight roles need to be clarified and coordinated between the federal and state entities. The Office of Planning and Research (OPR) will pass through funding to California Volunteers (CV) and Office of the Secretary of Education (OSE). CV is ready to receive, expend and oversee American Recovery and Reinvestment Act (ARRA) funding. CV has significant experience in administering federal grants and complying with the associated regulations. Further, their ARRA funding is being disbursed through existing programs, and they have been proactive in identifying and addressing their fiscal and programmatic risks. OPR/OSE considers themselves simply as a pass-through entity with limited control or oversight via an interagency agreement prepared by OPR over the ARRA funds going to the California Department of Education (CDE), the California Department of Corrections and Rehabilitation (CDCR), The University of California (UC), and the California State University (CSU).

Recommendation: Subsequent to our review completed on April 27, 2009, the OPR has submitted a corrective action plan and has begun to implement the recommendations that were previously identified. The expectation met column has been revised to reflect the corrective action plan and additional information that has been obtained. Furthermore, the OPR has added comments below in the 10 day corrective action plan column.

	Expectation Met	Comments	10 Day Corrective Action Plan
Oversight and Fraud Prevention			
Knowledgeable about departmental oversight responsibility	Y	CV is knowledgeable about their oversight responsibility. However, OPR considers themselves as a pass-through entity. Therefore, responsibilities need to be clearly communicated in the interagency agreements currently being drafted by OPR.	CV: No corrective action needed. OPR: Interagency Agreements contained the assurances provided in the <i>Application for Initial Funding under the State Fiscal Stabilization Fund</i> program and agreed to by the Governor in April 2009. Once additional requirements are communicated to the states, OPR will advise the implementing departments.
Clear guidance has been received from federal agency on departmental oversight roles and responsibilities for funds provided directly to localities	N/A	There are no funds provided directly to localities that the department is responsible for oversight.	Per the Office of Management and Budget (OMB) guidance issued April 3, 2009, state departments are not responsible for funds received from the federal agency and provided directly to localities.
Departmental risk assessments prepared and ARRA risks are addressed	P	CV—Not formally. However, CV has made significant progress in identifying and correcting risks that would impact ARRA funding. OPR/OSE - did not provide a risk assessment.	CV: May 26 training identified and addressed challenges/barriers for successful program launch. Ongoing monitoring will manage potential future risks.
Communication with federal oversight agency	Y	Constant contact with their federal oversight agency.	CV and OPR: No corrective action needed.
Administrative costs established with federal oversight agency	P	OPR is waiting for additional guidance from the federal oversight agency. CV has received guidance from their federal oversight agency.	CV: No corrective action needed. OPR: No further guidance has been received.

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Fraud awareness training	P	CV—Annual conference covers fraud training. OPR/OSE—will place reliance on departments that will implement their ARRA program.	CV: Annual conference will be held June 25-26. Special ARRA training also held on May 26th to review provisions, reporting requirements, expectations and accountability of these funds.
Financial Integrity and State Manager's Accountability Act (FISMA) Compliant—Department prepared a 2007 FISMA report on the adequacy of the entity's systems of internal control and submitted a corrective action plan within 6 months	P	OPR Submitted their 2007 FISMA in March 2009. Follow up meeting to be scheduled with the director in May 2009.	
ARRA review performed in April 2009 by Government Accountability Office (GAO)	Y	GAO issued a report (GAO-09-580) dated April 2009. In the report, GAO provided general recommendations, such as, additional guidance from federal agencies is needed for local and state entities.	
Tracking system in place to address prior audit findings	Y	Tracking system is in place. CV had a prior BSA single audit. One of three findings corrected. In addition, CV has signed an interagency agreement with the Office of State Audits and Evaluations that may assist in correcting the remaining two findings.	CV: No corrective action needed. Steps already in progress to address all prior audit findings. OPR: no corrective action required.
Submitted California Strategic Growth Plan—Bond Accountability Plans	N/A	Did not receive any California Strategic Growth Plan Infrastructure Bond funds. Therefore, a California Strategic Growth Plan was not required to be submitted.	
Grants Management and Accountability			
Recipient training	P	CV—Multiple conference calls with grantees. Grantees to participate in federally funded annual conference in June. Supplemental ARRA specific training requested for July. OPR/OSE will not provide any training to recipients.	CV: No corrective action needed. Special ARRA training for 13 operating grantees. Topics included contracting, performance, fiscal documentation and separation of costs, reporting requirements, programmatic accountability and fraud training. May still have additional ARRA training in July, however have not yet heard back on funding request for this training from CNCS.
Competitive grants and fixed-price agreements	Y	Grantees have been selected based upon federal guidelines.	CV and OPR: No corrective action required.

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<p>Grant agreements are clear, specific, and meet ARRA requirements. (Such as: site visits, administrative costs, interest, progress reports, budgets, modifications, record retention policy, match, list of ineligible expenditures, notification of possible audit)</p>	<p align="center">P Y as of 6/2/09</p>	<p>CV is currently updating the contract language to conform to ARRA guidance. OPR/OSE is still drafting their interagency agreement.</p>		
<p>CV: Contract language is complete and complies with ARRA guidance. Contract language available for auditor review if requested. No additional corrective action necessary. OPR: IAs contain the assurances included in the SFSF application and agreed to by the Governor in April 2009. OPR will communicate additional requirements once they are received. Contract language available for auditor review if needed.</p>	<p>Measures in place to ensure contractors and grantees are paid within 30 days of invoicing</p>	<p align="center">Y</p>	<p>CV—Does not anticipate a problem. Weekly processing of payments.</p>	<p>CV: No corrective action required.</p>
<p>Department is requiring specific ARRA required data elements to be tracked (jobs created/saved, project status info, etc.)</p>	<p align="center">Y</p>	<p>Following federal oversight agency's guidance published thus far.</p>	<p>CV: No corrective action required.</p>	
<p>Certification letters are required by applicant</p>	<p align="center">N Y as of 6/2/09</p>	<p>CV and OSE—Certification letter are not currently included in all interagency agreements and grant agreements.</p>	<p>CV: Certification letter was developed and included in grantee contract agreements for ARRA funds. Certification language available for auditor review if requested. No additional corrective action necessary.</p>	
<p>Coordinating with other entities for programs with similar goals and purpose to reduce duplication of funding</p>	<p align="center">Y</p>	<p>OSE is coordinating with UC, CSU, CDCR, CDE, and OPR. CV is coordinating with OPR and AmeriCorps.</p>	<p>CV: No corrective action required.</p>	
<p>Working with grantees to develop performance measures</p>	<p align="center">Y</p>	<p>Based upon guidance from federal oversight agency.</p>	<p>CV: No corrective action required.</p>	
<p>Performing risk assessments and/or audits on recipients awarded ARRA funds</p>	<p align="center">Y</p>	<p>CV—As a standard practice CV monitors grantees in the following areas: Fiscal compliance, results of desk reviews, results of audits, past performance, compliance with due dates, and responsiveness to corrective action plans. High risk grantees are more closely monitored and provided additional training and technical advice as needed. OPR/OSE—Not applicable since four recipients were already selected.</p>	<p>CV: No corrective action required.</p>	

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Reporting Requirements		
Aware and prepared to track ARRA funds separately	Y Aware and prepared to track ARRA funds separately.	CV: No corrective action required.
Department is prepared to track and report on jobs created/saved	P Y as of 6/2/09 CV—Not a jobs creation program. Collection of jobs data not a likely requirement, but CV plans to seek guidance from their federal oversight agency. OPR/OSE—No guidance yet from federal oversight agency.	CV: Reporting information as required by federal agency. No additional corrective action required. OPR: No corrective action needed.
Established a communication method with the federal agency to transmit reporting data promptly	P CV—Existing programmatic and fiscal communication channels. OPR/OSE—We recommend the interagency agreement require departments establish communication method with grantees and OPR/OSE.	CV: No corrective action required. OPR: Direction not yet received.
Mechanism in place to ensure all data is reviewed for accuracy prior to reporting	N P as of 6/2/09 CV—Unclear what the requirements will be from federal oversight agency. Grantees may be required to report directly, if so CV plans to reconcile the data. CV has asked for guidance in this area from their federal oversight agency. OPR/OSE should develop appropriate measures to ensure grantees and implementing departments review data for accuracy prior to reporting.	CV: Have not yet received information from federal agency on reporting mechanism, which will partially determine ability to review data. Regardless, subgrantees have been notified that they will be required to submit reports to CV for review at least 2-days prior to report due date, regardless of reporting mechanism. This will allow for CV review of data. OPR: Once requirements are established and communicated to states, OPR will establish reporting and submission protocols.
IT system prepared and capable of capturing required data elements	P CV—Federal oversight agency will provide a system for CV to use. OPR/OSE—should confirm that their implementing departments have the capability of capturing and reporting required data elements.	CV: In the absence of clear guidance on reporting mechanism a progress report template has been developed to capture program performance. OPR: Reporting requirements are unknown at this time; therefore, system capabilities will be further evaluated.
Transparency		
Website has link to www.recovery.ca.gov	Y Their website has the appropriate link.	CV and OPR: Both sites include links to the state's recovery website (Recovery.ca.gov) and specific links to their respective ARRA applications. Next step: interlink the two sites.

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Expectation Met

Comments

10 Day Corrective Action Plan

Challenges Identified by Department

During the readiness interview, department staff identified concerns		State and federal audit coordination is needed to prevent duplication of efforts.	
		Continuous updates of federal guidelines and required data elements subsequent to project funding.	

Tickmarks:

Y = Yes. The expectation is being met.

P = Partial. The expectation is being partially met.

N = No. The expectation is not currently being met.

N/A = Not applicable.