



NATIONAL CENTER ON
Subsidy Innovation and Accountability



Grantee Internal Controls Self-Assessment Instrument



Grantee:

Date:

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Introduction

Grantees use the Grantee Internal Controls Self-Assessment Instrument (the instrument) as a framework for reviewing how well their policies and procedures meet the Child Care and Development Fund's (CCDF) regulatory requirements in the areas of program integrity and financial accountability. These requirements are aimed at reducing payment errors; minimizing program waste, fraud, and abuse; and ensuring that funds are used for allowable program purposes and for eligible recipients. This instrument can be used by state and federal managers to evaluate how well a grantee's internal controls are functioning and to determine what, where, and how improvements can be made.

The instrument contains five sections corresponding to federal control standards outlined in the Government Accounting Office (GAO) and OMB publications referenced below. The attached addendum provides the applicable CCDF regulation and administrative guidance.

- I. **Eligibility Determination and Review**
- II. **Improper Payment Case Review Process**
- III. **Fraud and Overpayment Prevention, Detection, and Recovery**
- IV. **Federal Reporting**
- V. **Audits and Monitoring**

Each section contains a list of program elements and considerations grantees may use when reviewing their programs and the degree to which their internal controls are effective. The considerations are examples of best practices that help provide a context for evaluating the context and scope of the elements. They

are not all-inclusive and, in some cases, may not be applicable to a grantee's program. We recommend that evaluators use the following approach for assessing each element:

- For each **Consideration**, discuss and identify the level of implementation (Yes, Mostly, Some, No) and add a brief description explaining the response selected.
- Use the Evaluation Results **Findings** text box to document any strengths, weaknesses, or areas of concern.
- Use the Evaluation Results **Mitigation and Action Steps** text box to identify action steps for addressing any significant findings.
- Assign a **Priority Level** for completing any mitigation or action steps.
- Select whether **Follow Up** is needed.

The suggested priority ratings for the assessment are Low, Medium, and High, where High is the highest priority for developing a plan to address weaknesses or deficiencies and Low is the lowest. For example, grantees may rate elements for which the program has significant weaknesses as a High priority. A Medium priority rating suggests that the program meets most of the considerations adequately but there are weaknesses or deficiencies that require corrective action. A Low priority rating indicates the program meets most or all of the considerations. Grantees can use the ratings to prioritize action steps or establish a baseline score. Periodic reevaluation of the elements will provide grantees with a mechanism for measuring improvement or regression

over time. Grantees can use the ratings to prioritize action steps or establish a baseline score. Periodic reevaluation of the elements will provide grantees with a mechanism for measuring improvement or regression over time.

The instrument has been updated to include several of the changes in the CCDBG Act of 2014 (the Act) that affect CCDF, program eligibility and

benefits, child care provider eligibility, and federal reporting requirements. Lead Agencies can use this material to identify the action steps needed to align the state's policies with the new law. Steps may include legislative and administrative rule changes, policy decisions, information system changes, and resources and barriers. As the Act material is not part of the self-assessment there is no Evaluation Result, Findings, Mitigation and Action Steps or Priority Ratings.

Section I. Eligibility Determination and Review

Section I assesses the internal control structure in place for child care eligibility determinations and payment processing. Well-defined policies and procedures help ensure consistent administration and enforcement of program rules and requirements. They also provide program managers with objective criteria for identifying and measuring any potential risks or problems that could impede progress toward accomplishing state and federal goals and objectives. Grantees use this section to evaluate their policies and procedures to determine if they are clearly defined at all functional levels.

The elements and considerations listed in this section are examples that serve as a starting point to evaluate program strengths and weaknesses and to develop mitigation strategies and corrective action plans. Some elements and considerations may be subjective. Evaluators should examine them in the context of any available performance standards and measures. Grantees should evaluate and identify strengths, potential risks or weaknesses, their effect, and strategies for preventing or mitigating risks and improving service delivery.

Suggested references and documents for completing this section:

- [Child Care and Development Block Grant Act of 2014](#)
- [45 CFR Parts 98 and 99](#): Child Care and Development Fund regulations
- [45 CFR Part 75 Subpart F](#): Audit Requirements
- [2 CFR 200, Appendix XI](#)
- [CCDF-ACF-PI-2008-01](#): Verification of Citizenship and Immigration Status by Non-Profit Organizations and Head Start Grantees
- [CCDF-ACF-PI-2010-06](#): Program Integrity, Financial Accountability, Access to Child Care
- [CCDF-ACF-IM-2011-06](#): Continuity of Child Care Services
- [CCDF-ACF-IM-2015-01](#): Uniform Administrative Requirements, Cost Principles, and Audit Requirements
- [CCDF-ACF-IM-2015-02](#): Program Instruction on CCDF Reauthorization Effective Dates
- [Child Care Improper Payments Data Collection Instructions \(DCI\)](#): Revised Oct. 31, 2018

Section I.A: Family Eligibility and Payment Elements

Item #1

Grantee ensures that only eligible families and children receive services.

(CCDF-ACF-PI-2008-01; CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Defines clear and consistent eligibility policies and procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes timeliness standards for eligibility determinations and case processing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Obtains verification of factors that affect program eligibility and benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Uses internal data and other state resources for verification to the extent possible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Coordinates eligibility determinations with other assistance programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes specific rules and procedures for homeless families, minor parents, children receiving protective services, and other special populations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.A: Family Eligibility and Payment Elements

Item #2

Grantee ensures consistent application of program rules across all populations and jurisdictions.

(45 CFR 98.20)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Develops and maintains up-to-date written policies and procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Disseminates program rules within the agency and to external partners, families, providers, and the public	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Maintains a system for documenting policy and procedural clarifications	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Develops curricula and provides ongoing training to staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Obtains input and evaluates the need for program rule changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.A: Family Eligibility and Payment Elements

Item #3

Program integrity practices do not compromise program access or continuity of care for eligible families and children.

[45 CFR 98.68(a); CCDF-ACF-PI-2010-06]

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Provides multiple options for parents to submit applications	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Uses simplified or generic application forms for multiple programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Conducts outreach and provides information on quality care	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Ensures that families have local access to subsidy through community agencies or other government or county organizations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Streamlines program rules to increase program access and retention	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Allows eligibility to continue during temporary interruptions in employment, education, and training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.A: Family Eligibility and Payment Elements

Item #4

Case management policy and processing standards ensure that the grantee takes timely action in response to relevant changes in family circumstances.

(45 CFR 98.21)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Limits any requirements to report changes in circumstances in accordance with 98.21(e)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Policies take into account children's development and learning when authorizing child care services pursuant to 98.21(f)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Defines clear, consistent policies for determining the impact changes in family and provider circumstances have on eligibility or benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Considers the impact of policy changes to program access, continuity, and administrative efficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes timeliness standards for processing interim changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Uses forms, notices, brochures, websites, and other informational materials to inform parents and providers of change reporting responsibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Ensures any policy changes provide adequate guidance on the effective date of eligibility and benefit changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Notifies parents and providers of the results of any eligibility or benefit changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Section I.A: Family Eligibility and Payment Elements

Item #4

Case management policy and processing standards ensure that the grantee takes timely action in response to relevant changes in family circumstances.

(45 CFR 98.21)

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.A: Family Eligibility and Payment Elements

Item #5

Grantee establishes a process for conducting eligibility redeterminations.

(45 CFR 98.21)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Defines clear, consistent redetermination policies and procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Coordinates eligibility redetermination with those of other assistance programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Provides sufficient advance notice to parents and providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Defines compliance deadlines and exceptions for administrative and third-party delays, or good cause and good faith efforts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Provides for reinstating eligibility to avoid placing existing families onto a waiting list	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Notifies parents and providers of the redetermination results	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.A: Family Eligibility and Payment Elements

Item #6

Grantee policies and procedures ensure the accuracy of payment authorizations.

(45 CFR 98.16, 98.21; CCDF-ACF-PI-2010-06)

Considerations — Grantee defines clear and consistent policies and procedures that ensure:	Yes	Mostly	Some	No	Brief Description
Eligibility workers accurately determine the need for care	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Payment authorizations accurately reflect the child's age, location of care, special needs, and type of child care setting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Approved hours of care include allowances for travel time and considerations beyond the work schedule of the parent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Co-payments are accurate and applied uniformly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Children do not receive duplicate subsidies from multiple households concurrently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.A: Family Eligibility and Payment Elements

Item #7

Grantee statewide and local payment rates and co-payments are sufficient to assure equal access to services comparable to those provided to children who do not receive federal assistance.

(45 CFR 98.15, 98.45)

Considerations — Grantee defines clear and consistent policies and procedures that ensure:	Yes	Mostly	Some	No	Brief Description
CCDF families have a choice of child care settings and providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Payment rates allow equal access and reflect provider prices across all local markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Family co-payment calculations consider family size and income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.A: Family Eligibility and Payment Elements

Item #8

Grantee ensures the accuracy of payments for child care services.

(2 CFR 200, Appendix XI)

Considerations — Grantee establishes adequate internal controls to ensure:	Yes	Mostly	Some	No	Brief Description
Appropriate segregation of roles and responsibilities for eligibility determination, payment processing, and benefit issuance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Accuracy of subsidy payments for child care services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Accuracy of provider billings or invoices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Prevention of duplicate payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Coordination with neighboring states concerning out-of-state provider eligibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.B: Provider Eligibility Elements

Item #1

Grantee has routine internal control processes for determining that providers operate legally.

(CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Uses a routine, documented process for provider on-site visits, both announced and unannounced, including criteria for determining what type of visit is warranted	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Uses licensing data, vital statistics records, and other information sources to identify child care programs not operating legally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reviews other assistance program data to identify inconsistencies in the information reported to the program office on unlicensed caregivers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Uses IRS Taxpayer Identification Number matching or other methods to verify provider Social Security numbers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.B: Provider Eligibility Elements

Item #2

Grantee ensures that child care providers meet CCDF minimum health and safety requirements.

(45 CFR 98.41; CCDF-ACF-IM-2011-05)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Establishes health and safety requirements for prevention and control of infectious diseases	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Assures that children receive age-appropriate immunizations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Defines health and safety standards for building and physical premises for non-exempt providers, including criminal, sex offender, and child abuse and neglect background checks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Requires minimum health and safety training appropriate to the provider setting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Notifies families of provider health and safety violations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☐ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.B: Provider Eligibility Elements

Item #3

Grantee has procedures in place to ensure that child care providers comply with additional program health and safety requirements established by the grantee.

(45 CFR 98.33 and 98.42; CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Periodically reassesses active providers for continued compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes communication protocols with the state licensing authority for monitoring changes in provider eligibility and violations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Coordinates with the child welfare agency on child abuse and neglect complaints	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Coordinates with state department responsible for administration of the Child and Adult Care Food Program	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Conducts investigations or site visits in response to complaints about unregulated providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☐ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.C: Monitoring Controls Elements

Item #1

Grantee has overall responsibility for program integrity and financial accountability of the CCDF program.

(45 CFR 98.11 and 98.12; CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Establishes a structure that provides effective administrative oversight and control	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Defines and communicates key areas of administrative authority and reporting relationships throughout the organization, including partner agencies, subrecipients, and contractors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes institutionalized processes for monitoring CCDF activities and expenditures at all levels of administration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up: ☐ Yes ☐ No

Section I.C: Monitoring Controls Elements

Item #2

Grantee monitors accuracy and the timeliness of subsidy eligibility determinations and payment authorizations.

(45 CFR 98.11; CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Uses management reports to monitor caseload activity and eligibility determination outcomes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Monitors the timeliness of eligibility determinations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Conducts supervisory case reviews or desk audits to ensure consistent application of program rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Samples denied and discontinued cases for accuracy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Develops information system edits to prevent or reduce administrative error	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Uses management reports or other internal controls to monitor error-prone activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☐ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.C: Monitoring Controls Elements

Item #3

Grantee has controls in place for managing and maintaining case record information.

(CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Defines procedures for managing case records	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes controls for the handling and routing of mail and documents received electronically	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes control processes to prevent the misuse of client or provider debit cards or returned checks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reviews mail returned by the U.S. Postal Service as undeliverable to determine the impact on eligibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section I.C: Monitoring Controls Elements

Item #4

Grantee is responsible for ensuring that subrecipients and contractors administer CCDF services and funds according to the rules established by the program.

(45 CFR 98.11; CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Requires subrecipients and contractors to establish and maintain adequate fiscal and eligibility internal controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Defines specific roles and responsibilities for meeting CCDF program requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes performance measures for subrecipients and contractors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Conducts on-site assessments and compliance reviews	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes formal communication protocols	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section II. Improper Payments Case Review Process

Section II assesses the CCDF case review process and methodology for calculating subsidy program improper payments error rates. Section 98.100 of the CCDF regulations requires all states, the District of Columbia, and Puerto Rico to conduct improper payments case reviews and to submit error rate reports to Department of Health and Human Services (HHS) once every three years.

The elements and considerations used in this section correspond to the process guidelines established in the Improper Payments Data Collection Instructions (DCI). Grantees should assess the structure, accuracy, and consistency of the case review process, and identify any mitigation strategies or corrective actions needed to improve the process and to reduce error rates and the risk of improper payments.

Suggested references and documents for completing this section:

- [CCDF Regulations 45 CFR 98.100](#)
- [Improper Payments Data Collection Instructions \(DCI\)](#): Revised Oct. 31, 2018
- [State Improper Payments Report \(ACF-404\)](#): OMB Control Number: 0970-0323
- [Error Rate Review Corrective Action Plan \(ACF-405\)](#): OMB Control Number: 0970-0323

Section II: Improper Payments Case Review Elements

Item #1

Grantee completes the triennial improper payment case review process measuring improper payments caused by administrative error.

(45 CFR 98.92, 98.100; DCI)

Considerations:	Yes	Mostly	Some	No	Brief Description
Grantee establishes a comprehensive plan for conducting improper payments case reviews that addresses:					
<ul style="list-style-type: none"> • sampling cases • project organization and staffing • communication protocols • case review logistics • case reviewer training • second-level review processes and inter-reviewer consistency • information technology supports • corrective action planning • error definition 	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Upper-level management supports the process and allocates sufficient staff and resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section II: Improper Payments Case Review Elements

Item #2

Grantee uses qualified staff to conduct case reviews.

(DCI; 2 CFR 200, Appendix XI)

Considerations — Case reviewers:	Yes	Mostly	Some	No	Brief Description
Did not make or approve eligibility or benefit determinations during the review period	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Do not report to supervisors responsible for eligibility or benefit determinations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Are knowledgeable about the CCDF and grantee policies and procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Have a shared view of what constitutes an error for all case review elements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Receive instruction sufficient to ensure that the review process is consistent with program policies that were in effect during the review month and at the time of eligibility determination	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☐ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section II: Improper Payments Case Review Elements

Item #3

The ACF-404 report assesses the implementation of the case review process for the current review cycle.

(DCI)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Evaluates the effectiveness and efficiency of the case review process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Identifies lessons learned and best practices adopted in the most recent review cycle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section II: Improper Payments Case Review Elements

Item #4

The ACF-404 report identifies all causes of improper payments errors.
(DCI)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Reports the total number and examples for each error type and whether the case involved missing or insufficient documentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Describes anticipated actions and timelines for correcting each type of payment error	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Describes the methods used between review cycles for measuring progress toward reducing the most common types of improper payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section II: Improper Payments Case Review Elements

Item #5

The ACF-404 report describes grantee actions to recover overpayments.
(DCI)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Estimates the amount of recoveries for overpayments that occurred during the current case review cycle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Describes any reasons that limit recoveries if estimated collections are less than the total amount of overpayments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reports the total amount recovered from overpayments identified in the previous case review cycle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section II: Improper Payments Case Review Elements

Item #6

The ACF-404 report describes the internal control methods the grantee will use to identify and reduce future improper payments.

(DCI)

Considerations — Grantee describes:	Yes	Mostly	Some	No	Brief Description
How the use of current information systems and infrastructure will identify and reduce improper payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Plans for developing and implementing new technology and infrastructure to reduce improper payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Any barriers that prevent changes in the infrastructure that could reduce improper payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section II: Improper Payments Case Review Elements

Item #7

The ACF-404 report includes error findings and target measures for the current and prior case review cycles and error rate targets for the next review cycle.

(DCI)

Considerations:	Yes	Mostly	Some	No	Brief Description
Grantee report includes the following information for both case review cycles:					
• Percentage of cases with errors					
• Percentage of cases with improper payments					
• Improper payments error rate as a percentage of total payments issued for the sample	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
• Average amount of improper payments					
• Estimated annual amount of improper payments					

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section II: Improper Payments Case Review Elements

Item #8

The ACF-404 report identifies any reasons for failing to achieve error rate targets for the current cycle.

(DCI)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Describes the reasons for not meeting error rate targets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Identifies actions taken to reduce case errors and improper payments identified in the prior case review cycle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Identifies actions planned to reduce case errors and improper payments identified in current case review cycle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section II: Improper Payments Case Review Elements

Item #9

Grantees with an error rate at or above 10 percent submit a comprehensive ACF-405 corrective action plan to HHS.

(DCI; 45 CFR 98.102)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Submits a corrective plan within 60 days of the June 30 deadline for submitting the ACF-404 State Improper Payments Report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Identifies actions, milestones, and parties responsible for carrying out actions to reduce improper payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Completes the identified actions within one year from the date HHS approves the corrective action plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Responds to HHS requests for interim progress reports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section III. Fraud and Overpayment Prevention, Detection, and Recovery

Section III assesses the grantee's internal control structure for preventing, detecting and responding to the risk of program fraud, waste, and abuse. These activities, processes, and measures are essential to holding clients, providers, program staff, subrecipients, and contractors accountable for compliance with federal and state laws and regulations. They also ensure that CCDF expenditures are for eligible beneficiaries and services.

Internal controls for preventing fraud waste and abuse cover a wide range of activities and may involve collaborations with the criminal justice system, law enforcement officials and other agency partners. They include management oversight and monitoring processes, verification methods, IT system controls, management reporting, and other program accountability measures.

Suggested references and documents for completing this section:

- [45 CFR Parts 98](#): Child Care and Development Fund regulations
- [2 CFR Appendix XI](#)
- [CCDF-ACF-PI-2008-01](#): Eligibility, Federal Public Benefits, Head Start, Non-Profit Organizations, Verification
- [CCDF-ACF-PI-2010-06](#): Program Integrity, Financial Accountability, Access to Child Care
- [CCDF-ACF-IM-2011-06](#): Continuity of Child Care Services
- [Improper Payment Data Collection Instructions \(DCI\)](#): Revised Oct. 31, 2018

Section III.A: Prevention and Detection Elements

Item #1

Grantee program integrity and accountability efforts ensure effective internal control over the administration of CCDF funds.

[45 CFR 98.16(cc); CCDF-ACF-PI-2010-06]

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Establishes a program integrity and financial accountability planning process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Defines and communicates the importance of program integrity and ethical values throughout the organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Informs families, providers, and the public of their roles and responsibilities for maintaining program integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Evaluates the impact of efforts to reduce program fraud, waste, and abuse have on program costs and workload	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Ensures program integrity efforts do not impose unnecessary barriers to program access or continuity of care for eligible families and children	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☐ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section III.A: Prevention and Detection Elements

Item #2

Grantee establishes routine processes and procedures for detecting fraudulent applications.

(CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Identifies applications and child care arrangements with potential fraud risks before determining eligibility and authorizing payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes specific verification practices for error prone or high-risk circumstances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Provides training on fraud and improper payment prevention and detection resources and techniques	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section III.A: Prevention and Detection Elements

Item #3

Grantee uses internal and external information sources and collateral contacts to prevent and detect fraud in the active caseload.

(45 CFR 98.60; CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Accesses other program information systems to verify eligibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Mines or matches data	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Maintains a fraud hotline and responds to public complaints of program fraud, waste, and abuse	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Coordinates with the auditors, quality control, and other oversight agencies and service providers in preventing and detecting fraud	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section III.A: Prevention and Detection Elements

Item #4

Grantee establishes institutionalized processes for identifying and tracking intentional, unintentional, and administrative overpayments and underpayments.

(45 CFR 98.60; CCDF-ACF-PI-2010-06; DCI)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Defines clear, consistent improper payment policies and procedures that differentiate between intentional, unintentional, and administrative errors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes tracking and reporting processes for monitoring activity on pending and completed overpayment and underpayment claims	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes considerations for determining the types of overpayments to recover	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Provides specialized training to staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section III.B: Grantee Response Elements

Item #1

Grantee processes overpayments determined to be the result of fraud.

(45 CFR 98.16, 98.60, 98.68; CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Establishes procedures for processing suspected fraud claims	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Refers suspected fraud cases to specialized staff or investigators responsible for determining that fraud occurred	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Monitors the status and outcomes of fraud referrals and investigations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes an administrative process for resolving fraud cases that do not warrant prosecution due to cost effectiveness or other reasons	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section III.B: Grantee Response Elements

Item #2

Grantee recovers overpayments determined to be the result of fraud.

(45 CFR 98.16, 98.60, 98.68; CCDF-ACF-PI-2010-06)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Recovers fraud overpayments through structured billing arrangements, lump sums, tax intercepts, or other methods	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Recovers overpayments from the party responsible for committing fraud	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Tracks overpayment recoveries and balances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Provides information on collections to the agency division responsible for federal financial reporting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section III.B: Grantee Response Elements

Item #3

The grantee applies specific sanctions to clients and providers when an improper payment is due to fraud.

(45 CFR 98.16, 98.68)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Establishes fair and reasonable penalties for families and providers that commit fraud	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Considers the impact of fraud penalties on the ability of families to achieve or maintain economic self-sufficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Has automated system supports for tracking any disqualification periods	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section IV. Federal Reporting

Section IV addresses grantee responsibilities for complying with the reporting requirements of the Child Care and Development Fund (CCDF) program. Timely and accurate reporting of financial, operational, and programmatic data and characteristics is critical to monitoring program performance and understanding the operation and financial condition of the organization. Federal managers use this information to ensure that grantees expend CCDF funds for intended purposes and in a manner consistent with state and federal law and program objectives.

This section lists the reports CCDF grantees are required to submit to HHS. The considerations provided can help program managers identify any critical reporting issues or concerns, and determine if there is adequate support for the full disclosure of financial, budgetary, and programmatic information. Grantees should examine internal reporting relationships, responsibilities, and supports and determine if they consistently provide managers with timely and accurate information.

Suggested references and documents for completing this section:

- [45 CFR Part 98](#)
- [CCDF Annual Aggregate Child Care Data Report and Instructions](#) (ACF-800)
- [Monthly Child Care Data Report and Instructions](#) (ACF-801)
- [CCDF-ACF-PI-2020-03: Approved Revised Financial Reporting Form](#) (ACF-696)
- [CCDF State/Territory Plan Preprint and Guidance](#) (ACF-118)
- [CCDF-ACF-PI-2010-06: Program Integrity, Financial Accountability, Access to Child Care](#)
- [Annual Quality Progress Report and Instructions](#) (ACF-218)

Section IV: Federal Reporting Elements

Item #1

Grantee submits the triennial CCDF Plan which serves as an agreement between the grantee and HHS on how the program will be administered.

(45 CFR 98.10 through 98.18)

Considerations:	Yes	Mostly	Some	No	Brief Description
Grantee ensures compliance with the provisions of the CCDF Plan and requirements of the Child Care and Development Block Grant Act of 2014, including amendments and other federal laws and regulations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up: ☐ Yes ☐ No

Section IV: Federal Reporting Elements

Item #2

Grantee submits ACF-696 financial reports quarterly to HHS on the status and use of CCDF funds.

(45 CFR 98.60 and 98.65)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Documents procedures for preparing the ACF-696 that include data sources, funding streams, and accounting practices used to compile the report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes accounting practices sufficient to trace funds to a level adequate to establish that expenditures are for allowable purposes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Ensures that CCDF overpayment recoveries and funds returned to the grantee after the applicable obligation period return to HHS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Conducts management reviews of CCDF prior to submitting the report to HHS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section IV: Federal Reporting Elements

Item #3

Grantee submits ACF-800 aggregate data reports to HHS annually.

(45 CFR 98.71)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Documents procedures for preparing the ACF-800 report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reports unduplicated counts of the number for families and children served for each data field	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Tracks the amount of public pre-kindergarten (pre-K) expenditures used to meet the state's share of the CCDF matching fund requirement and maintenance of effort requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Ensures that eligibility and financial accounting systems accurately track subsidy payment methods and the number and type of service providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reports the percentage of funds in the direct services budget that are CCDF funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Documents the process used for estimating the number of families that receive consumer education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section IV: Federal Reporting Elements

Item #4

Grantee submits monthly or quarterly ACF-801 data reports on the number and characteristics of providers, families, and children receiving child care assistance or subsidies.

(45 CFR 98.71; CCDF-ACF-PI-2016-02)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Documents procedures for preparing the ACF-801	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reports on the entire caseload or has a sampling plan approved by ACF	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Collects and reports all required family and child level data fields contained in the report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Ensures child and family data is unduplicated and includes information for each setting in which each child received services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Excludes family co-payments from the amount paid to providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Ensures that information systems capture accurate data on the total hours of care provided for each child	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reports on at least one quality data element for at least a portion of the provider population					

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section IV: Federal Reporting Elements

Item #5

Grantee submits the Annual Quality Progress Report to HHS annually.

(45 CFR 98.53)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Tracks annual progress on Lead Agency established goals as reported in the CCDF Plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Submits QPR that responds to at least the minimum data required by ACF in the ACF-218 (QPR) instructions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section IV: Federal Reporting Elements

Item #6

Grantee retains documentation adequate to establish that CCDF funds were expended in accordance to CCDF law and regulations.

(45 CFR 98.65 and 98.67)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Establishes a comprehensive record retention plan for CCDF documentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Retains documentation for at least three years or until complete resolution of any audit findings, litigation, or similar legal action involving records	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Makes documentation available to the federal government upon request	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section V. Audits and Monitoring

Section V addresses audit functions and other strategies management uses for program monitoring. These activities are an integral part of the grantee's program integrity environment and control structure. They provide effective mechanisms for assessing program integrity functions carried out by the grantee, subrecipients, and contractors at all levels. Program monitoring functions encompass a wide range of activities, including remote and onsite assessments of eligibility and payment processes, reviews of financial management and accountability controls, information management, quality improvement, and other related CCDF activities and services.

Audits and monitoring activities assess performance over time as a part of the process of carrying out regular program activities. They may include routine systems testing, reconciliation processes, management reviews and assessments, financial accounting practices, and information security measures. Audits and monitoring activities ensure that managers and supervisors understand their roles and responsibilities for maintaining program integrity. They provide objective methods for measuring the effectiveness of internal controls and ensuring that upper level management is aware of findings, recommendations, and resolutions.

This section identifies key audit and monitoring processes that can help managers to identify significant weaknesses that affect the achievement of program goals and objectives. Managers should evaluate the appropriateness of the organization's monitoring practices and the degree to which they support agency missions and objectives.

Suggested references and documents for completing this section:

- [Government Accountability Office, Standards for Internal Control in the Federal Government](#)
- [45 CFR Parts 98 and 99](#): Child Care and Development Fund regulations
- [2 CFR, Appendix XI](#)
- [CCDF-ACF-PI-2010-06](#): Program Integrity, Financial Accountability, Access to Child Care

Section V: Audits and Monitoring

Item #1

Grantee establishes audit and other monitoring processes to identify, analyze, and address risks relevant to meeting program objectives.

(GAO-14-704G, 2 CFR 200, Appendix XI)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Identifies and communicates key compliance objectives and management responsibilities at all levels of the organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Coordinates with other executive branch agencies that exercise internal control responsibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Establishes internal and external oversight workgroups and committees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Obtains input from clients, providers, and staff to improve program integrity, service quality, and the effectiveness of internal controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section V: Audits and Monitoring

Item #2

Grantee’s organizational structure provides adequate monitoring and enforcement of internal controls.

(2 CFR 200, Appendix XI)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Ensures that the organizational structure forms a sound basis for establishing effective internal controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Segregates duties and responsibilities to ensure program accountability throughout the organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reviews and validates the propriety and integrity of organizational and individual performance measures and indicators	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section V: Audits and Monitoring

Item #3

Grantees conducts an annual audit at the close of each program period that includes subrecipients and contractors.

(45 CFR 98.65; 2 CFR 200, Appendix XI)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Establishes a formal audit process that management supports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reviews and evaluates current and prior audit findings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Takes corrective action within required timeframes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Consults with internal and external stakeholders and oversight committees and workgroups on corrective action planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Evaluates the effectiveness of corrective actions taken on current and prior audit findings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Reports findings and resolutions to the DHHS Office of Inspector General	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No

Section V: Audits and Monitoring

Item #4

Grantee internal control framework ensures significant findings from monitoring assessments of subrecipients, Office of Inspector General reviews, and other government agency reviews are addressed.

(GAO-14-704G)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Conducts analytical reviews of current and prior year audit findings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Addresses findings from subrecipient and contractor monitoring assessments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Evaluates the effectiveness of corrective actions taken on current and prior monitoring assessments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up: ☐ Yes ☐ No

Section V: Audits and Monitoring

Item #5

Grantee responds to communications from external partners and oversight groups, including the public.

(2 CFR 200, Appendix XI)

Considerations — Grantee:	Yes	Mostly	Some	No	Brief Description
Investigates customer complaints regarding potential program weaknesses and deficiencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Evaluates communications and reports from external partners on program integrity issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Considers recommendations from oversight groups	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Evaluation Results

Findings

Mitigation and Action Steps

Priority Level:

☒ Low

☐ Medium

☐ High

Follow Up:

☐ Yes

☐ No