

Federal Programs Compliance Review and Monitoring Plan

Introduction

The Iowa Department of Education (Department) maintains regular oversight of grant recipients to assess compliance with state and federal requirements, determine program effectiveness and improvement, and to identify information needed for strategic planning. The Department's monitoring activities ensure that awards are used for authorized purposes and that performance goals are achieved.

As a federal pass-through entity, the Department's responsibilities include the requirement to "evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring" (2 CFR § 200.332). The Bureau of Federal Programs (Bureau) employs a two-fold approach to monitoring the activities of recipients of federal funds under the *Every Student Succeeds Act* (ESSA), which amended and reauthorized the *Elementary and Secondary Education Act of 1965* (ESEA). Universal monitoring of all subrecipients is ongoing throughout the year and additional monitoring is determined by an annual review of risk.

This document outlines the Bureau's plan for assessing the risk of noncompliance and monitoring ESSA grant recipients. The plan focuses on programmatic activities and outcomes and is designed to complement the Department's general risk assessment, which emphasizes fiscal operations.

Compliance Review

The Bureau conducts an annual compliance review of ESSA subrecipients to determine the appropriate monitoring strategy for ESSA title programs across the state. Factors for identifying the risk of noncompliance may include, but are not limited to prior experience, previous audits, changes in personnel or systems, and federal agency monitoring outcomes (2 CFR § 200.332).

This review is used to determine the possibility that a subrecipient may not comply with applicable rules. If your organization is assigned a high level, it does not indicate that your organization has failed to comply with applicable rules. Similarly, a low level does not indicate that your organization is compliant with all applicable rules. Since the review is conducted annually, your compliance level can change from year to year.

Rubric

The Bureau identified 12 data elements that may signal the risk of noncompliance with the requirements of a federal program tasked with providing "all children a significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps" (Title 1, Sec. 1001). The first eleven items concern expenditures (1-2), compliance (3-7), staffing (8-9), and size (10-11), and they represent 80% of the total possible risk points (16 of 20 points). The final item concerns subrecipient performance and represents 20% of the total possible risk points (4 of 20 points). Performance is included to clarify possible links between the implementation of program requirements, such as expending funds that are

necessary and reasonable for the performance of the federal grant (2 CFR § 200.403(a)) and program outcomes.

The Bureau will draw on prior year data available through the Consolidated Accountability and Support Application (CASA) or other reports to complete the risk analysis. Data for the category on expenditures, for example, relies on CASA records to identify subrecipients that claimed less than 50% of that year’s allocation by the end of the third quarter because low reimbursement levels may reflect lack of expenditures and the possibility that program activities are not being fully implemented.

The following table (Table 1) lists the elements of the risk assessment tool, including a broad category for each indicator, the measure for each category, and a description of the potential risks. Subrecipients that do not meet the defined measure for a criterion are assessed zero points for that item. The overall range of points on the risk assessment tool is zero to 20.

Table 1. Risk Assessment Criteria

Criteria		Measure	Risk
Expenditures	1. Expenditures	Subrecipient claimed less than 50% of the current year allocation by the end of the third quarter.	Low reimbursement levels may reflect lack of expenditures and the possibility that program activities are not being fully implemented.
	2. Carryover	Subrecipient forfeited funds that were carried forward from the previous year but remained unspent.	The loss of carryover funds despite having additional time to expend the resources may indicate program activities are not being sufficiently implemented.
Compliance	3. Citations	Subrecipient had one or more citations for noncompliance with federal program requirements.	History of citations for noncompliance with federal program requirements poses a risk of continued noncompliance.
	4. Unresolved citations	Subrecipient had one or more unresolved citations for noncompliance with federal program requirements.	Lack of adherence to state guidance on resolving citations poses a risk of continued noncompliance.
	5. Application and report submissions	Subrecipient did not meet a deadline for submitting required reports, data, or applications or received more than two action required.	History of noncompliance with submission deadlines and/or inaccuracies in reports, data, and applications may reflect insufficient grant compliance oversight and poses a risk of continued noncompliance.
	6. Claims submissions	Subrecipient failed to submit a claim or received more than two action required notices for claims across all programs.	History of noncompliance with submission deadlines and/or inaccuracies in claims may reflect insufficient grant compliance oversight and poses a risk of continued noncompliance.
	7. Nonpublic consultation	Subrecipient did not meet the deadline for submitting non-	The potential impact on Iowa learners and opportunities for

		public consulting agreement(s) and/or all equitable shares were not used.	error increase with the additional requirements of timely and meaningful consultation and equitable services for nonpublic schools.
Staffing	8. Personnel (administration)	Subrecipient's superintendent or school business official changed from the previous year.	The loss of institutional knowledge, continuity, and understanding of local initiatives may jeopardize effective federal grant management.
	9. Personnel (title programs)	Subrecipient's designee for the consolidated application or one or more title programs changed from the previous year.	Lack of prior experience serving as designee for the consolidated application or title programs increases the possible risk of error due to loss of institutional knowledge, continuity, and/or understanding of local initiatives.
Size	10. Award amount	Subrecipient allocation is a) <\$50,000, b) \$50,000-250,000, or c) >\$250,000.	The more federal funds there are to manage, the greater the potential fiscal impact if the funds are mismanaged or otherwise compromised.
	11. Grant programs	Total number of program grants awarded to Subrecipient is a) <4, b) 4-6, or c) >6.	The number of compliance requirements increases with the number of federal program awards, thereby also increasing opportunities for error.
Performance	12. Needs improvement/ Priority	A school rating of Needs Improvement or Priority was assigned to one or more of Subrecipient's schools.	Needs Improvement and Priority ratings may indicate the capacity to effectively manage support for student learning is compromised.

Timeline

The timeline for implementing the annual risk analysis and monitoring process will be as follows:

- **October** – The Bureau will conduct the risk assessment using data from the prior year.
- **November** – Subrecipients will be notified of the risk assessment results and next steps.
- **January** – The Bureau will begin follow-up monitoring activities as determined by the risk assessment.
- **May** – The Bureau will review the previous monitoring cycle to determine possible improvements to the risk assessment and monitoring process.

Monitoring

The Bureau provides two types of monitoring and support for subrecipients of ESSA funds. All subrecipients receive universal monitoring on an ongoing basis and additional monitoring is provided to selected subrecipients based on the outcomes of the annual risk assessment.

Technical Assistance and Monitoring

The Department works collaboratively with Local Education Agencies by providing high-quality technical assistance for fiscal and programmatic planning and implementation of all services administered through federally funded programs. Technical assistance needs are identified by reviewing the following information:

- Feedback collected from survey data
- Risk assessment data
- Claims and application data in CASA (Consolidated Accountability and Support Application)
- Specific requests from school districts
- Audit reports
- Upcoming Department changes

By providing ongoing high-quality technical assistance and monitoring, the Department helps ensure subrecipients meet the intended purpose of federal grants and comply with program requirements.

Additional Monitoring

After completing the annual compliance review, the Bureau will determine each subrecipient's risk of noncompliance by distributing risk scores into three tiers (low, moderate, high) based on their number of risk points. The tiers are shown below in Table 2, along with the relevant monitoring strategy. The Department will notify providers about the risk assessment outcomes and next steps during the second quarter of the program year.

Table 2. Risk Levels and Monitoring Strategies

Risk Level	Score (0-20)	Monitoring Strategy
Tier 1: Low Risk	0-7 points	No additional monitoring
Tier 2: Moderate Risk	8-14 points	Technical assistance
Tier 3: High Risk	15-20 points	Enhanced technical assistance

Monitoring Strategy

Tier 1

Subrecipients at the Tier 1 level are viewed as operating effectively to manage risks. Therefore, no additional monitoring will be required for subrecipients that earn seven or fewer points on the risk assessment. The Bureau will consider how to identify practices that may

contribute to low risk scores so that models or promising practices can be shared with other subrecipients.

Tier 2

Subrecipients at the Tier 2 level may require technical assistance support that can be provided through webinars or other resources, based on need highlighted by the risk assessment. Where the risk assessment identifies common needs for improvement across a group of subrecipients, the Bureau may consider broad technical assistance activities.

Tier 3

Subrecipients at the Tier 3 level require enhanced technical assistance. Bureau staff will implement individual monitoring plans and action steps in consultation with subrecipients, the risk analysis data, and any other information available to the Department.

Monitoring Cycle

The Bureau will implement a five-year cycle for directly addressing improvement needs identified by the risk assessment. Each year selected subrecipients will participate in appropriate monitoring activities as described above. Subrecipients will have access to the risk assessment results during off-cycle years so they can take steps to improve their scores by the next cycle.

Noncompliance

Bureau staff will issue a citation and document it in the Corrective Actions section of CASA if noncompliance is found at any time during the monitoring process. Subrecipients will be required to complete corrective action and additional monitoring may be necessary, as well, depending on the nature of the noncompliance. Citations will be considered resolved when the Department receives sufficient evidence that noncompliance has been corrected.

Sources of Authority for Monitoring

- [Every Student Succeeds Act \(ESSA\)](#)
- [2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)