



DEPARTMENT OF HEALTH & HUMAN SERVICES
Administration for Children and Families
Office of Community Services

Community Services Block Grant Program

Connecticut State Assessment

On-Site Review

Final

July 22-26, 2013

Connecticut State Assessment

Table of Contents

I. EXECUTIVE SUMMARY	1
State Assessment Authority	1
Methodology	2
II. ASSESSMENT AND FINDINGS	3
• FISCAL AND GOVERNANCE OPERATIONS	3
Administrative Monitoring and Accountability	4
Financial Monitoring and Accountability	5
OMB Circular A-133	7
Eligible Entity Carryover Requirements	7
State Carryover Balance	7
Public Hearings	8
Tripartite Boards	8
Administrative or Fiscal Operations Findings	9
• PROGRAM OPERATIONS	9
Employment Programs	10
Education Programs	11
Housing Programs	11
Emergency Services Programs	11
Nutrition Programs	12
Self-Sufficiency Programs	12
Health Programs	12
Income Management Programs	13
Linkages	13
Programs for Youth and Seniors	14
Local Agency Uses of FY 2010 CSBG Funds	14
Results Oriented Management and Accountability (ROMA) System	14
III. ELIGIBLE ENTITY ON-SITE REVIEW SUMMARIES	16
IV. ASSESSMENT FINDINGS AND RECOMMENDATIONS	17

Tables

Table 1 - Use of FY 2010 Funds	4
Table 2 - Connecticut Monitoring Schedule	6
Table 3 - Client Characteristics and Statistics	24

Connecticut Community Services Block Grant

I. Executive Summary

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, 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 Connecticut designated the Connecticut Department of Social Services (CTDSS), as the appropriate lead agency for the administration of CSBG. The newly formed Office of Community Services, a division of CTDSS, is responsible for the day to day administration of CSBG. Connecticut CSBG provides funding, technical assistance, and support to 13 eligible entities¹ serving 169 towns. The eligible entities provide an array of services according to the Community Action Plan (CAP) formulated to address local needs. Services may include housing, energy assistance, nutrition, employment and training as well as transportation, family development, child care, health care, emergency food and shelter, domestic violence prevention services, money management, and microbusiness development. The information contained in this report was compiled during a State Assessment (SA) of the Connecticut CSBG and its eligible entities as evaluated by Federal staff of the Division of State Assistance (DSA) in the Office of Community Services (OCS), an office within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS).

State Assessment Authority

State Assessments are 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 Sections 678B and 676(b) of the Coats Human Services Reauthorization Act, Public Law 105-285. On August 25, 2010, OCS issued Information Memorandum (IM) 117, explaining that DSA would conduct both on-site and desk monitoring visits during Federal Fiscal Years (FFYs) 2011-2013. Federal staff conducted an on-site review of the Connecticut CSBG and its eligible entities from July 22 – 26, 2013. The evaluation included interviews and analyses of the data collected. As per the CSBG statute, the SA examines the State's and its eligible entities' assurances of program operations including:

1. Activities designed to assist and coordinate services to low-income families and individuals, including those receiving assistance under the Temporary Assistance for Needy Families (TANF) program, the elderly, homeless, migrant and seasonal workers, and youth;
2. Coordination of service delivery to ensure linkages among services, such as to employment and training activities, with the Low-Income Home Energy Assistance Program (LIHEAP), faith-based and other community-based charitable organizations, and other social services programs;
3. Innovative approaches for community and neighborhood-based service provision;

¹ The term "eligible entities" is used throughout this report to refer to non-profit or public agencies that meet the requirements of Section 673(1)(A) and Section 676B of the CSBG Act. Eligible entities include Community Action Agencies and other eligible nonprofit and public agencies designated by the State.

4. Ability to provide emergency food and nutrition to populations served;
5. Adherence to statutory procedures governing the termination and reduction of funding for the local entity administering the program;
6. Adequate and appropriate composition of Tripartite Board and eligible entity rules;
7. Appropriate fiscal and programmatic procedures to include a CAP from the eligible entities that identifies how the needs of communities will be met with CSBG funds; and
8. Participation in the performance measurement system, the Results Oriented Management and Accountability (ROMA) initiative.²

The SA also examines the fiscal and governance issues of the eligible entities that provide CSBG funded services in local communities as well as the State's oversight procedures for the eligible entities. Fiscal and governance issues examined include:

1. Methodology for distribution and disbursement of CSBG funds to the eligible entities;
2. Fiscal controls and accounting procedures;
3. State administrative expenses;
4. Mandatory public hearings conducted by the State Legislature; and
5. General procedures for governing the administration of CSBG, including Board governance, non-discrimination provisions, and political activity prohibitions.

Methodology

The SA consisted of two levels of evaluation by OCS reviewers:

1. OCS reviewers examined the State-level assurances, fiscal and administrative governance issues through data collection and interviews with State officials.
2. OCS reviewers assessed the State's monitoring procedures and results to determine eligible entities' compliance with assurances and governance requirements by gathering information and engaging in data collection and interviews.

State-level interviews included the following CTDSS officials: Rhonda Evans, Deputy Director; Cassandra Norfleet-Johnson, Public Assistance Consultant; Tony Judkins, Program Manager; Frank LaRosa, Director of Internal Audit; Phillip Kostar, Financial Manager; Dakibu Muley, Director of Integrated Services; and Maria Cappuccitti, Associate Accountant.

OCS reviewers assessed the following eligible entities: New Opportunities, Inc.; Community Action Agency of New Haven; and Community Renewal Team Inc.

OCS reviewers included: Isaac Davis, Program Specialist and Team Leader; Emmanuel Djokou, Auditor; and Renee Harris, Auditor.

² Some assurances have been combined where appropriate.

II. Assessment and Findings

The OCS reviewers collected information pertaining to the fiscal and programmatic procedures of the State agency, as well as other general information about the State's CSBG including:

- Administrative, program, and financial operations for the State and the eligible entities assessed;
- Brochures and literature on services provided;
- Most recent CSBG financial summary reports;
- Standard Form (SF) 269 Financial Status Report for FY 2010 showing total funds authorized;³
- Audited Financial Statements;
- Connecticut State CSBG Plan;
- Connecticut CSBG Operations Manual.

Fiscal and Governance Operations

The CSBG statute requires each State to designate a lead agency to administer CSBG, and for the lead agency to provide oversight of the eligible entities that administer CSBG in the communities. The Governor of Connecticut has designated CTDSS as the lead agency to administer CSBG.

The Department of Social Services has established specific Fiscal Policies, Procedures and Internal Controls to be utilized by OCS to manage spending plans, financial reports and requests for payments. All other procedures are covered by the Department of Social Services Standard Operating Procedures.

During our review of the documentation and interviews with the State staff, we noted that the State does not have in place a number of critical controls such as documented policies and procedures, monthly account reconciliations, error correction, and access control and authorization. For more detail, please see **Finding One** of this report.

We were able to review various accounting reports of CSBG activity but we could not reconcile the amounts recorded in the State general ledger to the amounts reported by the eligible entities. The State does not have a procedure to reconcile the reported amounts. For more details, see **Finding Four** of this report.

We determined, through interviews and observation, that the State has an adequate segregation of duties involved for authorization, recordkeeping, and custody functions among the various agencies that administer CSBG.

The State operates on a cost-reimbursement basis with its eligible entities. An eligible entity completes the Statement of Expenditures form W1270 and submits it to the State for reimbursement on a quarterly basis. Requests for payment are reviewed and accepted based on the availability of funds and the eligible entities' satisfactory compliance with the terms of the contract.

³ The SF 269—Short Form is used to report the amount of program income earned and the amount expended.

Table 1 illustrates the distribution of Federal funds allocated in Connecticut.

Table 1

Use of FY 2010 Funds: Connecticut		
Uses of Funds	Amount Expended	Percentage of Expenditures
Grants to Local Eligible Entities	\$7,744,005	92%
Administrative Costs	\$229,626	3%
Discretionary Projects	\$419,751	5%
Total Used in FY 2010	\$8,393,383	100%

According to the State, administrative expenditures were used for the management and monitoring of the program. Discretionary funds were used for purposes consistent with Section 675C(b) of the CSBG Act.

Per OCS review of FY 2010, the State Information Survey (IS) Report reflects that grants to eligible entities were slightly above 90 percent as required by Sec. 675C of the CSBG Act. The State also reported using five percent of their CSBG for discretionary projects and three percent for administration.

Administration costs cover the salaries for two CSBG staff with 1.4 staff reported as full time CSBG. Discretionary funds were used for training, technical assistance, software and systems support as well as personnel to provide ongoing support for statewide ROMA implementation. According to the State Plan, all decisions regarding the allocation of remaining discretionary funds were made on a case-by-case basis as needs and viable programs were identified.

Administrative Monitoring and Accountability

The CSBG statute requires States to monitor local agencies to determine whether they meet performance goals, administrative standards, and financial management standards, as well as other State-defined criteria. States must have procedures in place to assure eligible entities have a system of governance, financial and human resource management, program and service delivery, and community relations. Eligible entities are required to submit applications to receive their CSBG allotments annually. The process of approval is based on: 1) standard forms; 2) governing Board approval; and 3) information about how the entity will provide services in their communities.

States are required by Federal statute to perform monitoring duties in a full on-site review at least once every three years for each eligible entity.

Section 678B(a)(1) requires that the State shall conduct the following reviews of eligible entities:

- (1) A full on-site review of each such entity at least once during each three-year period.
- (2) An on-site review of each newly-designated entity immediately after the completion of the first year in which such entity receives funds through CSBG.

The State entered into a contract to conduct its onsite monitoring visits of eligible entities in 2011. The State provided the CSBG monitoring schedule for 2011, this information is reported in Table 2. The State reported that the contractor monitored all eligible entities between September – November 2011.

The State provided the contractor a monitoring tool for CSBG and Human Services Infrastructure (HSI). The State required the contractor to use the tool to monitor the eligible entities prior to the State issuance of the written monitoring report.

OCS has reviewed the tool and noted that, while it is a positive step towards developing a monitoring program, it lacked references to any Federal or State policies, procedures or guidance and did not require the contractor to examine transactions or activity to assure compliance with program rules and Federal regulations. For example, the tool required the contractor to determine if the entity had policies and procedures to determine allowable costs but did not provide guidance to test the effectiveness of the policies and procedures. The tool made no reference to confirming compliance to A-133, as required by Section 678D of the CSBG Act. For more information, please see **Finding Five**.

The State has not issued policies and procedures for the administration of CSBG to the eligible entities. Of the three eligible entities visited by OCS only one had a written CSBG policy, which they had developed themselves. Another agency had its own internal compliance division but no CSBG written policy. The third agency had no written guidance for CSBG.

As noted in **Finding One**, the State lacks policies and procedures to assure compliance with the following CSBG Act requirements:

Section 676A Designation and Redesignation of Eligible Entities in Unserved Areas
Section 678A Training, Technical Assistance, and Other Activities
Section 678B Monitoring of Eligible Entities

Financial Monitoring and Accountability

OCS verified whether on-site monitoring reviews were conducted to meet the following objectives: 1) review of sub-recipient performance; 2) review of compliance to applicable State and Federal regulations, policies and statutes; 3) assist in the prevention of fraud and abuse; and 4) identification of technical assistance needs. A comprehensive CSBG monitoring tool is required to be used in eligible entity monitoring visits. Each applicable area of this document is designed to be completed with all supporting documentation retained in the State office files. Table 2 illustrates the State's monitoring schedule indicating the eligible entities visited.

Table 2

Connecticut Monitoring Schedule		
Agency Name	On-site Visits	Counties Served
Action for Bridgeport Community Development, Inc.	10/25/11	Bridgeport, Easton, Fairfield, Monroe, Stratford, Turnbull
The ACCESS Agency, Inc.	10/26/11	Tolland, Windham
Bristol Community Organization, Inc.	9/26/11	Bristol, Burlington, Plainville, Plymouth, Farmington
Community Action Agency of New Haven, Inc.	10/18/11	New Haven, East Haven, Hamden, North Haven, West Haven
Community Action Committee of Danbury, Inc.	10/27/11	Danbury, Fairfield
Community Renewal Team, Inc.	11/16/11	Hartford, Avon, Bloomfield, Canton, East Granoy, East Hartford, East Windsor, Enfield, Glastonbury, Granby, Manchester, Marlborough, Middleton, Newington, Rock Hill, Simsbury, South Windsor, Suffield, West Hartford, Wethersfield, Windsor, Windsor Locks, Branford, Chester, Clinton, Cromwell, Deep river, Durham, East Haddam, East Hampton, Killingworth
CTE, Inc.	10/19/11	Stamford, Darien, Greenwich
Human Resources Agency of New Britain, Inc.	9/14/11	New Britain
New Opportunities, Inc.	9/27/11	Waterbury, Barkhamstead, Bethlehem, Cheshire, Colebrook, Goshen, Hartland, Harwinton, Litchfield, Middlebury, Morns, Naugatuck, new Hartford, Norfolk, Prospect, Southbury, Thomaston, Torrington, Watertown, Winchester, Wolcott, Woodbury, Meriden, Berlin, Worthington, Wallingford
Norwalk Economic Opportunity Now, Inc.	9/12/11	Norwalk, New Canaan, Weston, Westport, Wilton
TEAM, Inc.	10/27/11	Derby, Ansonia, Beacon Falls, Bethany, Milford, Orange, Oxford, Seymour, Shelton, Woodbridge
Thames Valley Council for Community Action, Inc.	9/13/11	New London, Windham

States are required to adhere to Section 678B that requires States to monitor eligible entities at least once every three years. OCS reviewers examined the State's monitoring procedures and a representative sample of completed monitoring tools, reports, backup documentation, and corrective action letters.

OCS reviewers determined the State did not conduct financial monitoring as required. The State, through a contract, monitored all eligible entities in 2011. However, no financial monitoring was conducted at the time. Through a review of the State's monitoring files and interviews with State personnel, OCS determined the State did not comply with Section 678B which requires a full onsite monitoring once every three years. **See Finding Five.**

Office of Management and Budget (OMB) Circular A-133, Single Audit Act of 1997

According to 45 CFR §96.31, grantees and subgrantees are responsible for obtaining audits in accordance with OMB Circular A-133, “*Audits of State, Local Governments, and Non-Profit Organizations.*” Agencies expending \$500,000 or more of Federal funds in any year must contract with an independent auditor to review their financial statements and Federal expenditures. The auditing firm for the eligible entity conducts the fieldwork and issues the audit report. The eligible entity is required to submit the required reporting forms to the Federal Audit Clearinghouse (FAC) with reportable findings. The State is required, through OMB Circular A-133 as the pass-through, to assure that the eligible entity complies with any applicable section of A-133, including the provision to submit the reports. The State does not have formal written procedures to assure compliance with this requirement.

A-133 audits are required to determine whether: 1) costs and program income activities were properly summarized and reported; 2) internal controls meet the Federal requirements; 3) costs charged to the grant were allowable; and 4) the entity is in full compliance with the Federal requirements.

OCS noted that the State did not have formal written policies and procedures for the A-133 Single Audit. In addition, the State did not follow up with Subrecipients’ Single Audit findings in fiscal year 2010 and 2011. **See Finding Two.**

With regard to the A-133 performed by the Connecticut state auditor on CSBG, OCS noted no finding in the State’s A-133 Single Audit Report for FYs 2010 and 2011 pertaining to CSBG.

Eligible Entity Carryover Requirements

Language in Section 675(C)(3) of the CSBG Act permits States the discretion to recapture and redistribute unobligated funds in excess of 20 percent of the amount distributed to an eligible entity to another eligible entity. However, since 2001, Congressional Appropriation language has provided instruction that supersedes the language in Section 675(C)(3) of the enabling legislation. States are required to continue to recapture and/or redistribute to eligible entities in accordance with annual appropriation instructions requiring that, “to the extent Community Services Block Grant funds are distributed as grants by a State to eligible entities provided under the Act, and have not been expended by such entity, the funds shall remain with such entity for carryover into the next fiscal year for expenditure by such entity for program purposes.”

The State does not have any written policies or procedures regarding recapture and redistribution as required by Section 675(a)(3) and does not have policies or procedures to assure compliance with Congressional appropriations requirements that funds shall remain with each eligible entity for carryover into the next fiscal year. However, the OCS review did determine that State carryover practices were in compliance with appropriations requirements related to eligible entity carryover.

State Carryover Balance

In accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4), respectively, the State is required to submit annual program progress and Financial Status Reports (FSR) using OMB Standard Form 269A Financial Status Report (short form). The FSRs are due within 90 days of the close of the

applicable statutory grant periods. Failure to submit reports on time may be the basis for withholding financial assistance payments, suspension, or termination of funding.

The State did not submit the OMB FSR within 90 days of the close of the applicable statutory grant period in accordance with 45 CFR 96.30(b)(4). The State of Connecticut's FSR for fiscal years 2010 and 2011 was received by the ACF Office of Grants Management (OGM) on January 28, 2011 and February 14, 2012, respectively. **See Finding Three.**

Public Hearings

According to Section 676(a)(2)(B), at the beginning of each fiscal year, a State must prepare and submit an application and State Plan covering a period of one year and no more than two fiscal years.

The Public Hearing for CSBG was held at the State Capitol/Legislative building for the period of September 14, 2009 through September 27, 2009. The State provided the Public Hearing transcript and CSBG FY 2010 allocation plan that was presented at the Public Hearing.

Tripartite Boards

Eligible entities must comply with Section 676B of the CSBG Statute, which requires that members are chosen in accordance with democratic selection procedures to assure that not less than one-third of its members are representatives of low-income individuals and families who reside in the neighborhoods served. One-third of its members are public officials and the remaining members of business, industry, labor, religious, law enforcement, education, or other major groups interested in the community serviced. Members must actively participate in the planning, implementation, and evaluation of the program that services their low-income communities.

Responsibilities of the Tripartite Board include:

- Ensuring that all administrative requirements are met;
- Establishing policies, rules, regulations and by-laws consistent with the agency's mission;
- Establishing accounting systems and fiscal controls consistent with generally accepted accounting principles;
- Establishing policies prohibiting nepotism;
- Avoiding conflict of interest;
- Involvement in directing the agency's operation through regular board meetings; and
- Acceptance of liability for and resolving any questioned costs identified by audits.

In accordance with Federal and State laws, each CSBG sub-grantee, in order to be in full compliance, is required to adhere to the composition, documentation, by-laws, Board manual, and Board meeting minutes as detailed in the CSBG Act of 1998, Section 676B. The State CSBG office is required to monitor board composition and follow-up with the eligible entities when representation needs to be adjusted.

OCS noted that there are no State policies on Tripartite Boards. The State is currently developing a policies and procedures manual for CSBG, but that task had not been completed at the time of the assessment. **See Finding One.**

Administrative or Fiscal Operations Findings

According to 45 CFR § 96.30(a) Fiscal and administrative operations require: (a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to; (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

The CSBG statute, in Section 678G, requires the entities receiving CSBG funds to have Drug and Child Support Services and Referrals. The State does not have procedures or policies in place to assure compliance with this section. **See Finding One.**

In addition, OCS noted that the State does not have a corrective action policy that complies with CSBG Information Memorandum 116. **See Finding One.**

Program Operations

The eligible entities operate numerous programs designed to meet the needs identified in their respective service areas. Because the demographic data shows different local needs, not all eligible entities can provide extensive services in all priority areas. Supportive services and community outreach projects provided by the entities respond to low-income workers' health care.

The State and eligible entities categorize their expenditures of CSBG funds according to the statutory list of program purposes. The categories are as follows:

- Securing and maintaining employment;
- Securing adequate education;
- Improving income management;
- Securing adequate housing;
- Providing emergency services;
- Improving nutrition;
- Creating linkages among anti-poverty initiatives;
- Achieving self-sufficiency; and
- Obtaining health care.

Agencies receiving CSBG funds are required to prepare and submit an application referred to as a Community Action Plan to the State. The process requires eligible entities to submit an application to the State for approval based on: 1) standard forms; 2) governing board approval; 3) information based on priority needs; and 4) information about how the entities will provide services in their communities. Table 3 on page 20 shows the reported characteristics of individuals and families served throughout the State.

Based on the CSBG statute, the grant agreement outlines the following requirements for the State's eligible entities:

- A community needs assessment;

- A description of the service delivery system for low-income individuals and families in the service area;
- A description of linkages that will be developed to fill gaps in service through information, referral, case management, and follow-up consultations;
- A description of how funding will be coordinated with other public and private resources; and
- A description of outcome measures for providing services and promoting self-sufficiency and Connecticut community revitalization.

The 2009-2010 State Plan submitted by the Connecticut Department of Social Services outlines the procedure for conducting state wide planning through a community needs assessment that is submitted annually from all of the eligible entities to address poverty and assist low income individuals and family. Needs assessments and development of the plan is one of several topics covered in a series of regularly scheduled meetings with eligible entities and a designated State official.

In the State's 2010 annual report, they outline their community partnerships with the Community Action State Association, school district, State government, for-profit businesses and corporations, faith based organizations, health services, financial institutions, consortia and collaborations including housing, local government, post-secondary and education training. This includes 1,988 partnerships, including 280 new partnerships, 896 partnerships to improve and coordinate services, 245 partnerships to improve community planning, 225 partnerships to achieve improved outcomes for low-income people and 622 other types of partnerships or collaboration.

The CSBG Client Characteristics and Statistics reported by the State using the CSBG IS report can be found in Table 3 on page 20.

The program activities associated with CSBG funds as used by the eligible entities in FY 2010 are detailed below:

Employment Programs⁴

The State reported spending \$664,640 in CSBG funds to support a range of services designed to assist low-income individuals in obtaining and maintaining employment. These services may include:

- Support for TANF recipients who are preparing to transition to self-sufficiency or for former TANF recipients who need additional support to find or maintain employment;
- Support for job retention, including counseling, training, and supportive services, such as transportation, child care, and the purchase of uniforms or work clothing;
- Skills training, job application assistance, resume writing, and job placement;
- On-the-job training and opportunities for work;
- Job development, including finding employers willing to recruit through the agency, facilitating interviews, creating job banks, providing counseling to employees, and developing new employment opportunities in the community;
- Vocational training for high school students through the creation of internships and summer jobs; and
- Other specialized adult employment training.

⁴ Program funding information is extracted from the State CSBG-IS Report.

Education Programs

The State reported spending \$2,112,031 in CSBG funds to provide education services. These services may include:

- Adult education, including courses in English Second Language (ESL) and General Equivalency Diploma (GED) preparation with flexible scheduling for working students;
- Supplemental support to improve the educational quality of Head Start programs;
- Child care classes, providing both child development instruction and support for working parents or for home child care providers;
- Alternative opportunities for school dropouts and those at risk of dropping out;
- Scholarships for college or technical school;
- Guidance regarding adult education opportunities in the community;
- Programs to enhance academic achievement of students in grades K–12, while combating drug or alcohol use and preventing violence; and
- Computer-based courses to help train participants for the modern day workforce.

Housing Programs

The State reported spending \$254,408 of CSBG funds to provide housing programs to improve the living environment of low-income individuals and families. These services may include:

- Homeownership counseling and loan assistance;
- Affordable housing development and construction;
- Counseling and advocacy about landlord/tenant relations and fair housing concerns;
- Assistance in locating affordable housing and applying for rent subsidies and other housing assistance;
- Transitional shelters and services for the homeless;
- Home repair and rehabilitation services;
- Support for management of group homes; and
- Rural housing and infrastructure development.

Emergency Services Programs

The State reported spending \$2,241,169 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance and intervention with landlords;
- Cash assistance/short-term loans;
- Energy crisis assistance and utility shut-off prevention;
- Emergency food, clothing, and furniture;
- Crisis intervention in response to child or spousal abuse;
- Emergency heating system repair;
- Crisis intervention telephone hotlines;
- Linkages with other services and organizations to assemble a combination of short-term resources and long-term support; and
- Natural disaster response and assistance.

Nutrition Programs

The State reported spending \$444,805 in CSBG funds to support nutrition programs. These services may include:

- Organizing and operating food banks;
- Supporting food banks of faith-based and civic organization partners with food supplies and/or management support;
- Counseling families on children's nutrition and food preparation;
- Distributing surplus USDA commodities and other food supplies;
- Administering the Women, Infants, and Children (WIC) nutrition program;
- Preparing and delivering meals, especially to the homebound elderly;
- Providing meals in group settings;
- Initiating self-help projects, such as community gardens, community canneries, and food buying groups to help families and individuals preserve fruit and vegetables;
- Nutrition information/referral/counseling;
- Hot meals, such as breakfasts, lunches, or dinners for congregate or home delivery meals; and
- Nutritional training in home economics, child and baby nutrition, diets, and available Federal or State programs.

Self-Sufficiency Programs

The State reported spending \$591,483 in CSBG funds on self-sufficiency programs to offer a continuum of services to assist families in becoming more financially independent. These services may include:

- An assessment of the issues facing the family or family members, and the resources the family brings to address these issues;
- A written plan for becoming more financially independent and self-supporting; and
- Services that are selected to help the participant implement the plan (i.e. clothing, bus passes, emergency food assistance, career counseling, family guidance counseling, referrals to the Social Security Administration for disability benefits, assistance with locating possible jobs, assistance in finding long-term housing, etc.).

Health Programs

The State reported spending \$156,644 in CSBG funds on health initiatives to address gaps in the care and coverage available in the community. These services may include:

- Recruitment of uninsured children to a State insurance group or State Children's Health Insurance Program (SCHIP);
- Recruitment of volunteer medical personnel to assist uninsured low-income families;
- Prenatal care, maternal health, and infant health screening;
- Assistance with pharmaceutical donation programs;
- Health-related information for all ages, including Medicare/Medicaid enrollment and claims filing;
- Immunization;
- Periodic screening for serious health problems, such as tuberculosis, breast cancer, HIV infection(s), and mental health disorders;

- Health screening of all children;
- Treatment for substance abuse;
- Other health services including dental care, health insurance advocacy, CPR training, education about wellness, obesity, and first-aid; and
- Transportation to health care facilities and medical appointments.

Income Management Programs

The State reported spending \$558,012 in CSBG grant funds on income management programs. These services may include:

- Development of household assets, including savings;
- Assistance with budgeting techniques;
- Consumer credit counseling;
- Business development support;
- Homeownership assistance;
- Energy conservation and energy consumer education programs, including weatherization;
- Tax counseling and tax preparation assistance; and
- Assistance for the elderly with claims for medical and other benefits.

Linkages

The State reported spending \$1,048,980 in CSBG funds on linkage initiatives that involve a variety of local activities because of the CSBG statutory mandate to mobilize and coordinate community responses to poverty. These services may include:

- Coordination among programs, facilities, and shared resources through information systems, communications systems, and shared procedures;
- Community needs assessments, followed by community planning, organization, and advocacy to meet these needs;
- Creation of coalitions for community changes, such as reducing crime or partnering businesses with low-income neighborhoods in order to plan long-term development;
- Efforts to establish links between resources, such as transportation and medical care or other needed services and programs that bring services to the participants, for example, mobile clinics or recreational programs, and management of continuum-of-care initiatives;
- The removal of barriers such as transportation problems, that may keep people with low-incomes from accessing job opportunities or vital everyday activities; and
- Support for other groups of low-income community residents who are working for the same goals as the eligible entities.

At the local level, eligible entities coordinate CSBG with labor programs, transportation programs, educational programs, elderly programs, energy programs, community organizations, private businesses, churches, the United Way, and various youth organizations and programs. Eligible entities coordinate with other service providers and act as a focal point for information on services in their local area. Eligible entities identify gaps in services and works with other providers to fill those gaps. Eligible entities may organize meetings and participate in task forces with local service provider groups.

Programs for Youth and Seniors⁵

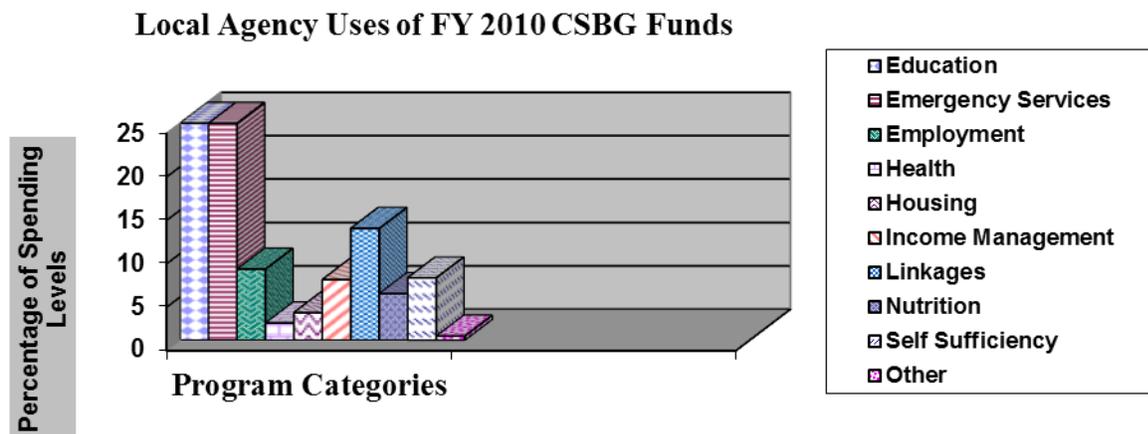
The State reported spending \$420,719 in CSBG funds on programs serving youth and spending \$381,141 on programs serving seniors. Services noted under these categories were targeted exclusively to children and youth from ages 6–17 or persons over 55 years of age. Seniors' programs help seniors to avoid or address illness, incapacity, absence of a caretaker or relative, prevent abuse and neglect, and promote wellness. These services may include:

- Home-based services, including household or personal care activities that improve or maintain well-being;
- Assistance in locating or obtaining alternative living arrangements;
- In-home emergency services or day care;
- Group meals and recreational activities;
- Special arrangements for transportation and coordination with other resources;
- Case management and family support coordination; and
- Home delivery of meals to ensure adequate nutrition.

Youth services may include:

- Recreational facilities and programs;
- Educational services;
- Health services and prevention of risky behavior;
- Delinquency prevention; and
- Employment and mentoring projects.

The chart below also illustrates the proportion of CSBG local expenditures reported by the State.



Results Oriented Management and Accountability System Guidance

Beginning in FY 2001, States were required to participate in a system to measure the extent to which programs are implemented in a manner that achieves positive results for the communities served. States may participate in the model evaluation system designed by OCS in consultation with the CSBG network called Results Oriented Management and Accountability (ROMA). Alternatively, States may design their own similar system. States are to report to OCS their

⁵ Programs for Youth and Seniors are recorded separately in the ROMA and therefore not listed on the local agency use of funds chart.

progress on the implementation of performance measurement practices. ROMA training is provided through the National Association for State Community Services Programs (NASCSPP) conferences on the State level, and through the local Community Action Partnership (CAP) conferences held for Connecticut's eligible entities.

In 2010 and 2011, the years under review, there were no official written State policies as it pertains to ROMA. The 2009-2010 State Plan reported progress on imbedding Connecticut's eligible entities' ROMA principles in the management structures and procedures. The State had been working towards the use of common software for all eligible entities. As agencies bring more of their programs into an automated case management environment, it increases Connecticut's ability to accurately report on services and outcomes. In this period, several automated systems were used to collect and report outcomes for Part II of the CSBG IS report. Connecticut's eligible entity network continues to refine its ability to track and document each customer's progress toward self-sufficiency and the impact of eligible entity services and activities.

Since 2012, it appears that the State has improved its ROMA standards for reporting with the assistance of Connecticut Association for Community Action (CAFCA), the Community Action State Association. There is now an integrated systems approach and it appears that all of the eligible entities now have software to complete the IS report for ROMA. There is a written procedure in place for all agencies to report on ROMA. CAFCA takes the lead in gathering the information for the IS report. The State still does not have the software to compile all of the data and relies heavily on CAFCA to compile the ROMA data and enter it into the National Performance Indicator database.

III. Eligible Entity Onsite Review Summaries

New Opportunities, Inc.

New Opportunities, Inc. (NOI) is a non-profit organization founded in 1964. New Opportunities, Inc. serves 27 towns through a network of 12 satellite offices. NOI's mission is "to improve the quality of life for economically disadvantaged individuals by providing the necessary resources to increase their standard of living, foster self-improvement, and maximize self-empowerment." In 2010, NOI served over 23,000 low-income families representing over 60,000 individuals. This represents over 13% of their entire service area population, meaning one in seven people in their 27 town region were touched by New Opportunities' services. The agency uses a multi-faceted approach which is unique to each family that is receiving services. All families applying for services are linked to both internal programs or referred to a community partner. By taking a comprehensive approach to family services, the agency is able to address multiple barriers to each family's situation. NOI has an operating budget of over \$6 million including \$1,083,962 in CSBG.

Community Action Agency of New Haven

Community Action Agency of New Haven (CAANH) is a non-profit organization established in 1978. CAANH serves 23 towns and has an operating budget of over \$17 million including \$1,123,863 in CSBG. In 2010, CAANH provided services to 32,890 individuals including 12,182 low-income families. The CAANH developed a "Passport to Prosperity" concept which is designed to: improve the continuity and flow of customer services; achieve efficient and effective results with customers by offering a broad based community support network; foster the development of a comprehensive, well-coordinated, customer-focused delivery system; and increase the number of customers who are better off. The Passport is designed to link customers to a broad range of organizations and services.

Community Renewal Team

The Community Renewal Team (CRT) is a non-profit organization founded in 1963. CRT is based in Hartford, CT and has a service area of 120 towns. CRT has operated within an established set of core values based on the simple premise that every person that comes through its doors deserves to have access to quality services and to be treated with dignity and respect. With an operating budget of over \$65 million, including \$1,817,882 in CSBG, CRT was able to serve 47,000 families, including 115,000 individuals, through a network of services. Some of the essential programs and services offered by CRT include: the Behavioral Health and Wellness Program; Clinical Community Corrections; Community Services, Early Care and Education; Employment and Training; Energy Assistance and Call Center; as well as Housing and Shelter Services.

IV. Assessment Findings and Recommendations

Finding 1

OCS reviewers noted a lack of State policies in the following areas:

Section 676A Designation and Redesignation of Eligible Entities in Unserved Areas

Section 676B Tripartite Boards

Section 678A Training, Technical Assistance, and Other Activities

Section 678B Monitoring of Eligible Entities

Section 678C Corrective Action; Termination and Reduction of Funding (should be updated in accordance to IM #116)

Section 678G Drug and Child Support Services and Referrals

We also noted that the State is in the process of developing formal policies and working to improve current procedures.

Recommendation

OCS recommends:

- 1.1** The State should develop policies and procedures for all eligible entities in accordance with State and Federal requirements. The policies should be issued to the eligible entities. State policies and procedures should adhere to all sections of the CSBG Act, including the sections above, as well as providing assurance that eligible entities have effective internal controls.

State Response:

The State agrees with the finding. The State previously utilized its contract language, as well as federal and state regulations as its policies and procedures for all eligible entities. However, after the OCS state assessment, the State acknowledges that contract language should not be utilized as policies and procedures. The State has begun activities associated with formalizing policies and procedures to ensure adherence with the CSBG Act, as well as federal and state regulations. The State is moving further than adherence to the CSBG Act, as effective internal controls and trained program staff are considered integral to our successful oversight capacities.

Examples of activities included but not limited to the following:

1. Engage the Department's legal staff concerning revision of state statutes and regulations including Section 676A (Designation & Redesignation of Eligible Entities in Unserved Areas) and 678C (Corrective Action; Termination and Reduction of Funding) concerning efforts to formalize the practices to be incorporated into the CSBG policies and procedures.
2. Engage the Department's legal staff concerning the draft organizational standards to ascertain if state statutes or regulations require revisions to ensure that the CSBG Office is able to conduct its oversight responsibilities.
3. Engage the Department's Bureau of Child Support Enforcement Office with the identification of Child Support liaisons to assist with the development of a child support referral process that includes participation of field Child Support Offices about this initiative.

4. Drafted Child Support Referral process for CAAs to follow, which shall be incorporated into the policies and procedures.
5. Revising the monitoring tool to align with proposed organizational standards.
6. Identification of training and technical assistance for CAAs, as well as Department staff.
7. Utilize Departmental agreements with Connecticut Association for Community Action (CAFCA) and Northeast Institute for Quality Community Action (NIQCA) for statewide or one-on-one assistance, as needed by the CAA network.

Said activities shall be completed no later than June 30, 2015.

In addition to the activities associated with policies and procedures, the Department, through its contract with a TA provider, will require any new CAA to participate in a modified agency-wide assessment to identify areas of possible “risk” to full compliance with the CSBG Act and/or organizational standards. This activity shall occur no later than forty-five (45) days after the designation/redesignation of the CAA.

OCS Response

OCS agrees with the corrective action taken by the State to develop policies and procedures for all eligible entities in accordance with State and Federal requirements. OCS will follow-up with the State to ensure that the corrective action process has been completed by the target date (June 30, 2015).

Finding 2

OMB Circular A-133, Subpart D, Section 400 (d) – Pass-through entity responsibility

We noted during our review that the State did not have formal written policies and procedures for the A-133 Single Audit requirements. In addition, the State did not follow up with Subrecipients Single Audit findings in fiscal year 2010 and 2011.

Recommendation:

OCS recommends the State:

- 2.1 Develop and implement written policies and procedures for corrective action to ensure that audit findings, deficiencies, and/or weaknesses are properly addressed and remediated. We recommend that the State follow up more than one time per year until the issue is closed. We recommend that the State include a verification process, depending on the nature of the issue, in the routing monitoring of the eligible entities.

State Response:

The State agrees with the finding. For State fiscal year ending June 30, 2013, the Department’s Office of Quality Assurance-Audit Division established a paperless approach to obtaining and reviewing audit reports for all of the Department’s subrecipients. A spreadsheet for each fiscal year that documents the review is maintained by the Department’s Audit Division. The Audit Division is currently exploring the best method of communicating with program staff and once finalized, the process will be added to the policies and procedures. This review includes whether audit findings have been reported; opinions on the financial statements, federal programs, state programs, and

laws and regulations; material or significant internal control deficiencies; and reported ongoing concern issues. In addition, beginning in state fiscal year ending 2015, the Audit Division has established a process to reconcile the funds advanced per the state's accounting system to the expenditures reported on the federal and state schedules of expended awards. The Audit Division will review the internal process and make adjustments, as appropriate. Concerns identified as a result of the review of the audit reports will be followed up with the Department's applicable program managers and the subrecipients, as soon as the reports are finalized. Monthly meetings will be held with the Audit Division-Grants Unit to ensure audit reports are being received timely and decisions are made on reported audit findings. The Audit Division will formalize the processes identified above, no later than October 31, 2014.

OCS Response

OCS agrees with the corrective action taken by the State to ensure that A-133 audit findings are addressed and procedures are in place to follow-up on audit findings/deficiencies until closure. OCS will follow-up with the State to ensure that the corrective action process has been completed by the target date (October 31, 2014).

Finding 3

45 CFR 96.30(b)(4) - Submission of information

Grantees are required to submit an OMB Standard Form 269A, Financial Status Report (FSR), total funds obligated and expended during the applicable statutory periods. Grantees are to provide the requested information within 90 days of the close of the applicable statutory grant periods.

The State did not submit the OMB FSR within 90 days of the close of the applicable statutory grant period in accordance with 45 CFR 96.30(b)(4). Fiscal years 2010 and 2011 State of Connecticut submission was received by the Office of Grants Management (OGM) on 1/28/11 and 2/14/2012 respectively.

Recommendation:

OCS recommends the State:

- 3.1** Modify procedures to ensure timely submission of OMB Standard Form 269A, Financial Status Report.
- 3.2** In addition to the review of supporting documentation, the amount reported should be reviewed for reasonableness based on program management expectations.

State Response:

The State of Connecticut, Department of Social Services (CT DSS) agrees with this finding. The CT DSS has since improved the internal tracking process to ensure that all federal Financial Status Reports are submitted on a timely basis in accordance with the grant(s) reporting schedule. The Division of Financial Services is responsible for submitting the Agency's SF425 financial status report for all grant awards. Staff within the Division are assigned grants and are held accountable for monitoring grant expenditures and completing the federal financial reports within the required reporting period. The Federal Reporting Unit within the Division of Financial Services has also

established a tracking system for the timely submission of all grants. The amounts reported on the SF425 reports are extracted and supported by the State of Connecticut human resources and financial accounting/reporting system (Core-CT). The fiscal staff reviews the grant expenditures against the grant spending plan budget for reasonableness and works with program management to ensure accurate tracking of expenditures. Financial reports are reviewed by the respective supervisor and manager/director for final certification.

OCS Response

OCS agrees with the corrective action taken by the State to ensure timely submission of the federal financial status reports, and procedures that are implemented to track and review grant expenditures.

Finding 4

45 CFR 96.30(a): States that fiscal control and accounting procedures must be sufficient to permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

We were unable to reconcile the CSBG allocation from the State records to the respective entities that receive funds. The CSBG allocation worksheet provided by the State was not updated on a regular basis. The worksheets for all periods were not saved in order to provide an audit trail for documenting allocations to eligible entities made throughout the year. The lack of trail was the cause of discrepancies between the State and eligible entities books.

Recommendation:

OCS recommends the State:

- 4.1** Strengthen internal controls to include comprehensive supervisory review which permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the CSBG statute.

State Response:

The State agrees with the finding. The State has begun a two-prong approach to address Finding 4.1 which involves the Department's Office of Quality Assurance-Audit Division, as well as the CSBG Office working collaboratively in ensuring full compliance.

Office of Quality Assurance-Audit Division

During calendar year 2013, the Audit Division began the process of performing onsite fiscal review of Connecticut's Community Action Agencies. The first review of a CAA began in the late spring of 2013. However, the completion of this review was significantly delayed because the Audit Division began a review in July 2013 of Norwalk Economic Opportunity Now's financial situation.

The purpose of the Audit Division's onsite review will be to provide reasonable assurance that the CAAs administer federal and state awards in compliance with laws, regulations, and the provisions of contracts or grant agreements with the Department. In addition, the review is intended to strengthen the administrative and fiscal capacity of Community Action

Agencies (CAAs), fortifying their ongoing delivery of services and preparing them for outside audits. The review includes the assessment of internal controls and recommendations for improvements as needed to account for program funds in accordance with program requirements. The Audit Division will issue a report of its review and recommendations to the CAA and Department staff.

The Audit Division's onsite review is formalized and written. Specific written policies and procedures that document the Audit Division's onsite review process will be developed and incorporated into the CSBG policies and procedures. Said activities shall be completed no later than January 31, 2015.

The Audit Division is also formalizing its activities specific to "Debt Repayment" policies and procedures. Current practices are performed based upon past practice; however, the Audit Division is in the process of documenting all activities in an effort to formalize policies and procedures specific to Debt repayment for Department staff (e.g. Audit, Fiscal and program), as well as to ensure CAAs are aware of requirements. Current practices include the following activities: Any funds owed to the Department that are identified by the Audit Division are forwarded to the Department's Fiscal Division via memo. The Fiscal Division ensures the collection of the receivable. The Audit Division will follow up with the Fiscal Division on the status of the receivable as needed. Said policies and procedures, shall be incorporated into the CSBG policies and procedures. Said activities shall be completed no later than January 31, 2015.

[CTDSS] Office of Community Services

The Department's Office of Community Services (CSBG Office) has also identified the need to strengthen fiscal oversight of expenditures and thus will currently review: quarterly financial reports; requests for payments; programmatic and statistical reports to support the need for receipt of government funds. OCS has established procedures where expenditures are reconciled to CORE-CT (CT's general ledger) and reported budget expenditures. Also, program staff electronically provides CAAs with quarterly summaries of payments issued and the applicable funding sources used.

In addition, the CSBG Office performed a number of fiscal actions that include, but are not limited to the following: (1) revised its budget and fiscal report tools to assist fiscal review of expenditures; (2) developed fiscal monitoring tools; (3) convened training with multiple divisions within the agency (Fiscal, Audit, Program Procurement and Contracts) that interact with CAAs; (4) reviewed CAAs' cost allocation plan; and is currently in negotiations with CAPLAW to provide SuperCircular training for CAAs and Department staff for November 5, 2014; (5) hired staff and (6) convened face-to-face meetings with CAA network regarding Fiscal, Human Resources and Planning/ROMA/Program. Said activities shall be formalized no later than December 31, 2014 in the CSBG policies and procedures for the CSBG program staff to ensure that programmatic stability is assured if and/or when staffing changes occur.

OCS Response

OCS agrees with the corrective action taken by the State to strengthen fiscal and accounting controls to ensure that CSBG funds are used in accordance with the statute. OCS will follow-up

with the State to ensure that corrective action has been completed by the target date (January 31, 2015).

Finding 5

The monitoring of eligible entities needs improvement

Section 678B requires the State to monitor the eligible entities for performance goals, administrative standards, financial management requirements, and any additional requirements of the State. An effective monitoring effort reduces the risk of non-compliance, increases the likelihood that issues are addressed promptly, increases the ability of the State to provide training and technical assistance in the most needed areas, and provides a basis for improved operational and fiscal performance.

The State has developed a monitoring tool. Furthermore, the State has demonstrated a commitment to improvement in monitoring by arranging for a contract with a professional services firm. However, the tool that is in use has no reference to State policies, federal program rules or regulations and has no provision to examine transactions to verify the effectiveness of internal controls. The tool is useful to capture the policies and procedures of the eligible entities but further steps are necessary to make this a robust monitoring effort.

Recommendation:

OCS recommends the State:

5.1 Continue to develop the tool by identifying:

- State laws and regulations that must be monitored;
- The CSBG Act sections that the eligible entity must comply with;
- The applicable cost principles an eligible entity must comply with;
- Necessary financial controls and oversight; and
- Appropriate standards of administrative and program performance that must be achieved.

After identifying the appropriate requirement, tie them to the monitoring tool. The next steps should include some verification that the policies and procedures are being adhered to and are effective.

State Response:

The State agrees with the finding. Thank you for acknowledging the CSBG Office's efforts to correct a self-identified deficiency. The monitoring tool has been updated with federal and state requirements; however, it is currently under revision to incorporate the proposed organizational standards. During FFY 2014, the Department identified four CAAs to receive comprehensive monitoring assessments, which addressed the following categories: Governance, Finance/Budget, Human Resource & HR File Audit, Planning, Program & File Audit; Information & Technology and Operations/Organizational Structure. The remaining CAAs are targeted for FFY 2015 and FFY 2016; with three (3) assessments occurring each year. The Department will continue its forward progress and once the organizational standards are finalized, the Department will ensure that the standards are incorporated into the tool, contract language and state statute/regulation, as appropriate.

OCS Response

OCS agrees with the corrective action taken by the State to update and improve monitoring procedures of its eligible entities.

Conclusion

This report is now considered final. If you have any questions or comments, please contact:

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Table 3

CSBG Client Characteristics and Statistics Reported by State	
Race/Ethnicity By Number of Persons:	
Hispanic or Latino	100,705
African American	92,429
White	111,552
Other	74,373
Multi-race	63,977
Education: Years of Schooling by Number of Persons over the age of 24:	
0-8 years	14,509
9-12, non graduates	33,296
High school graduate/GED	93,511
12+ some postsecondary	20,660
2 or 4 year college graduates	16,427
Insured/Disabled:	
No Health Insurance	51,185
Disabled	37,785
Surveyed About Insurance	259,449
Surveyed About Disability	242,227
Family Structure:	
Single parent/Female	48,476
Single parent/Male	3,720
Two Parent Household	22,508
Single Person	53,297
Two Adults, No Children	13,963
Family Housing by Number of Families:	
Own	42,966
Rent	104,631
Homeless	2,382
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	30,964
51% to 75%	16,271
76% to 100%	17,097
101% to 125%	15,824
126% to 150%	13,311
151% or more	45,762
Age	
0-5	45,601
6-11	51,768
12-17	36,675
18-23	36,665
24-44	86,903
45-54	46,102
55-69	28,710
70+	34,095
Totals	364,519
Gender	
Male	148,386
Female	217,715
Totals	366,101