

Minnesota's Perkins IV Monitoring Process and Recommendations for Monitoring 2013-2016

Purpose

The Minnesota State Colleges and Universities and the Minnesota Department of Education are required to monitor local Perkins consortia to assure compliance with fiscal and management requirements of the Carl D. Perkins Career Technical Education Act of 2006, the Minnesota State Career Technical Education Plan 2008-2013 and federal and state legislation, rules regulations and policy. The monitoring review provides an opportunity to not only meet compliance requirements, but also provide technical assistance, foster continuous improvement, and develops a better understanding of local performance, operations and issues facing career and technical Education (CTE), schools, and colleges.

Objectives for Perkins monitoring include:

- Determine present and predict future CTE program opportunities, challenges, and threats
- Better define how high-quality CTE program operate
- Detect conditions, procedures, or factors that threaten CTE programs in time to effectively mitigate
- Identify factors that may enhance or detract from the availability of high-quality CTE programs

Implementation priorities to be examined during 2013-2016:

- Development of a collaborative leadership team and decision-making process
- Progress in developing rigorous programs of study
- Engagement in data driven planning and decision making
- Fiscal—financial responsibilities

Guiding questions for the consortium to address in providing evidence for the monitoring process:

- What are the consortium's greatest strengths related to student outcomes? Greatest challenges?
- To what degree and in what ways do the consortium's plans and policies adequately support the strengths and include strategies to address the challenges?
- Who are the stakeholders involved in the consortium planning and decision-making and how do they contribute to the consortium success?
- To what degree and in what ways does the consortium engage in data driven planning and decision making?

Local Consortium Monitoring Guide

A guidebook is available to each consortium being monitored. The guide and other supporting materials (sample agenda, FAQ's, etc.) are available on the www.cte.mnscu.edu web site. Each consortium provides evidence that the consortium is meeting the fiscal and programmatic requirements of the Carl D. Perkins

Career and Technical Education Act of 2006 and Minnesota Perkins requirements. In addition state CTE staff meet with and provide technical assistance to local teams as they prepare for the monitoring visit.

Selection of Sites to be Monitored

Recent guidance from OVAE¹ suggests that states consider monitoring based on risk assessment (defining factors that may indicate excessive challenges to program implementation that allow the state to determine the methods and frequency of monitoring subrecipients). All 26 MN Consortium have experienced a monitoring visit within the current reauthorization between 2010 and 2013.

Risk Assessment Tool

A risk assessment tool is used to assist in determining which consortia to monitor each year. The risk assessment tool is used to help in determining the priority of consortia to be reviewed and the level of monitoring to be performed. The risk assessment is used in determining how often the consortium will be monitored. OMB Circular A-133 provides guidance on evaluating subrecipient risks.

Risk assessment criteria include targets areas that help identify changes critical to assessing the consortium's risk level:

- financial problems that could lead to diversion of program funds;
- loss of essential personnel;
- loss of license or accreditation to operate the program;
- rapid growth;
- new activities or services;
- organizational restructuring; and
- complaints regarding program and/or fiscal operations.
- The state may consider the use of other information in assessing the subrecipient's risk level.

Potential risk factors to be assessed to determine sites for monitoring visits include: program performance (Federal indicators, technical skill attainment, and adherence to approved plan), fiscal operations, and data reporting. In addition, the state may consider randomly selecting consortia to assure each consortium is monitored during the lifetime of the Act.

Program Performance

Sites identified for monitoring visits may be identified based on program performance – either excellent or because of identified problems. Excellent performance sites could provide valuable insight into how a consortium achieves goals and objectives in unique or innovative ways, and what effective strategies are being used that may be that replicable in other consortia. Sites identified because of problems with performance might be chosen for monitoring because the consortium is having difficulty achieving goals and objectives, there are known compliance issues or fiscal improprieties that are identified from desk audit activities or the consortium has requested or requires targeted technical assistance.

¹ OVAE 2012 Financial Management Institute, Edward Smith - presenter

Fiscal Analysis

Perkins Monitoring must also examine a number of aspects of potential fiscal risk. Annually, a sample of consortium can be selected based on the following factors: notably higher ratio of unspent funds recaptured from a consortium, recipients which receive a large total allocation, and/or which have had Office of Management and Budget Circular A-133 Single Audit findings could be selected for a desk audit. In order for state CTE leaders to assure recipients' fiscal operations are reviewed at least once during the lifetime of the Act, additional criteria may be necessary to select consortium targeted for a fiscal desk audit.

Data Reporting

In order to apply the risk factor selection criteria, current data must be available for each recipient. Therefore, if a consortium is unable to submit data, such as enrollment figures, TSA results, or local plans and budgets, it becomes necessary for the consortium be selected for a review.

Other Factors

Historical information, anecdotal information from employees, clients, and participants, and future changes, etc. may be appropriate in determining the subrecipient's need to be monitored.

Types and Levels of Monitoring

Based on the results of the risk assessment, a subrecipient (MN Consortium) could be assessed as being a low, medium, or high risk. These risk levels will determine which monitoring standards and procedures the monitors use.

The **high risk** monitoring level will include more intense testing of financial and program data and reporting. The basic objectives of high risk monitoring are:

- To test the reliability of internal controls.
- To verify that program objectives are being met.
- To assure the reliability of the consortium's financial and programmatic reports.
- To examine if costs and services are allowable and eligible.

Methods for conducting monitoring of a high risk consortium must be more intensive than methods for reviewing consortia determined to be at other risk levels. The use of site visits, quarterly performance calls and desk review, telephone interviews, and the results of a questionnaire must be combined as appropriate to assure improved performance and fiscal propriety.

The consortium classified as **medium risk** will be monitored for compliance issues focusing on allowable costs and program eligibility. The basic objectives of medium risk monitoring are:

- To verify that program objectives are being met.
- To test the reliability of the consortium's financial and programmatic reports.
- To test if costs and services are allowable and eligible.

The consortium classified as ***low risk*** will be monitored for operational changes. Low risk monitoring can be conducted by state CTE staff that might complete a desk review, conduct a limited number of phone interviews, or analyzing the results of a survey. The objective of the low risk monitoring is to identify major operational changes. Based on the desk review, the telephone interviews, or the results of the questionnaire, a determination will be made as to whether or not to revise the initial risk assessment and if additional monitoring is needed.