

City of Covington

Community Development Block Grant – Disaster Recovery (CDBG-DR) and Mitigation (CDBG-MIT)

Monitoring Plan

SECTION 1: POLICY

In order for the City of Covington (the City) to comply with its monitoring responsibilities of projects funded from the State of Louisiana Community Development Block Grant Disaster Recovery (CDBG-DR) and Mitigation (CDBG-MIT) programs administered by the Louisiana Office of Community Development – Disaster Recovery (LOCD-DR), the following Monitoring Plan will be utilized.

SECTION 2: MONITORING PLAN OBJECTIVES

The objectives of the Monitoring Plan are that the City will:

1. Comply with all regulations governing their administrative, financial, and programmatic operations as required in the Cooperative Endeavor Agreement between the City and the Office of Community Development (OCD);
2. Ensure that CDBG-DR and CDBG-MIT funds are used for intended eligible activities and the activities meet a National Objective;
3. Achieve performance objectives as set forth by OCD within schedule and budget;
4. Avoid Duplication of Benefits with other programs; and
5. Conduct the program in a manner to prevent, detect, and eliminate fraud, waste and abuse with particular emphasis on mitigation of fraud, abuse and mismanagement related to accounting, procurement, and accountability.

SECTION 3: MONITORING REQUIREMENTS AND PROCEDURES

1. Maintain adequate documentation to demonstrate the project meets a HUD National Objective and is recovery related.

Actions: The City will conduct periodic desk reviews of the program files to determine that the files meet the minimum documentation requirements to demonstrate projects meet the eligibility requirements of the program and has an acceptable documented plan of correction to ensure all new and current clients have the necessary documentation.

2. Maintain adequate documentation that the program follows written guidelines and laws for the procurement of supplies, equipment, construction, and services to ensure that they are obtained as economically as possible through an open and competitive process, and that purchases are managed with good administrative practices and sound business judgment and prohibits conflicts of interest.

Action: The city will conduct periodic desk reviews of program files to determine that:

- a. The City's written procurement procedures comply with current CDBG-DR procurement requirements. This review will be conducted annually when a CDBG-DR grant is active.

- b. That procurement activities are supported by documentation that steps were taken to ensure an open and competitive process and that some form of cost/price analysis was performed.
 - c. A system is in place for tracking property and other assets bought or leased with CDBG-DR funds.
- 3. Maintain adequate documentation of compliance with HUD Environmental Regulations found at 24 CFR Part 58.

Actions: Prior to the expenditure of funds for an activity, the City will verify that the appropriate level of environmental clearance has been obtained. Each project that requires an Environmental Review Record (ERR), will have an ERR maintained.

- 4. Maintain records to document compliance with Federal requirements.

Actions: The City will conduct periodic desk reviews of program files to determine that adequate documentation exists to verify compliance with the following Federal requirements.

- a. Fair Housing Act – 24 CFR part 100 & 107
 - b. Executive Order 11063
 - c. Civil Rights Act of 1964 – 24 CFR part 1
 - d. Age Discrimination Act 42 – 24 CFR part 146
 - e. Section 504 of the Rehabilitation Act of 1973
 - f. Americans with Disabilities Act, Title II – 28 CFR Part 35
 - g. Federal Labor Standards Requirements
 - h. Section 3 of the Housing & Urban Development Act of 1968
 - i. Good faith efforts to use women and minority owned businesses per Executive Order 11625, 12432, & 12138
 - j. Lead Based Paint Requirements – 24 CFR Part 35
 - k. Flood Insurance – Flood Disaster Protection Act of 1973; 24 CFR 58.6
 - l. Relocation Requirements – Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 49 CFR Part 24; 24 CFR 570.606
 - m. Minimize Displacement – 24 CFR 570.606, as modified by the applicable Federal Register notice
 - n. Conflict of Interest – 24 CFR 570.489(h); 2 CFR 200.318(c)
- 5. If the activity involves acquisition, relocation, or displacement, then, verify compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

Actions: The City will establish a property acquisition file for each acquisition, relocation, or displacement that is subject to the Uniform Relocation Act. The file will be reviewed to verify that it contains all required documentation including notices to homeowners or tenants, appraisal reports,

Statement of Just Compensation, executed Actos of Sale or Donation, and a Summary closing statement.

6. Follow written policies and procedures to maintain adequate oversight and control of its finances to ensure accurate, current, and complete disclosure of financial results.

Actions: The City will establish written procedures relative to the expenditure of CDBG-DR funds to record financial transactions, to determine the reasonableness and allowability of costs, to separate duties to ensure no one individual has authority over an entire financial transaction, and to routinely compare expenditure and budget. The City will periodically review its procedures to determine in personnel changes or other factors require revisions to the procedures.

7. Verify that expenditures are eligible under the Cooperative Endeavor Agreement/program relations, that they are correctly classified and are supported by the general ledger, timesheets, payroll register, invoices, contracts, purchase orders, and receipts.

Actions: The City will review all expenditures to determine that they are eligible, correctly classified, and have sufficient supporting documentation to demonstrate expenditures were incurred and justified. All invoices shall be sign by the identified authorized designee prior to payment. The City will periodically review its procedures to determine that appropriate review and approval procedures are being followed.

8. Engage in independent auditor on an annual basis to review program income and expenditures.

Actions: The City will maintain on file the most recent annual audit that states that financial statements accurately reflect the actual revenues, assets, expenditures, and liabilities of the CDBG-DR program. The audit file will also contain documentation that the City addressed any audit deficiencies, compliance findings, questioned costs, or recommendations included in the audit.

9. Verify that the CDBG-DR Program is progressing as planned and that program goals are achievable and within reach.

The City will maintain documentation that demonstrates goals are being met and follows the guidelines within the CDBG-DR Grantee handbook. The City will periodically review the performance of its personnel and consultants to determine they have the continuing capacity to carry out the CDBG-DR Program.

SECTION 4: CORRECTIVE ACTION PROCEDURES

If it is determined that the City has not met a requirement of the CDBG-DR Program, the City will note this determination and will take corrective action within sixty (60) days. If unable to demonstrate compliance, the City will take correct action or remedial action. Said actions will be designed to prevent a continuation of the deficiency, mitigate its adverse effects or consequences to the extent possible, and prevent from recurrence.

SECTION 5: SUB-RECIPIENTS

If sub-recipients are utilized, the City will be responsible for ensuring that CDBG-DR funds are used in accordance with all program requirements. At a minimum, each project shall be visited at least twice.

The initial visit will review the Sub-recipients accounting system, review the Sub-recipient's understanding of the program financial requirements, review Sub-recipient's files for required policies and procedures, and review Sub-recipient's records system for maintaining appropriate programmatic documentation. The initial visit is to provide understanding of the Sub-recipient Program requirements and discuss:

1. Eligible activities
2. Allowable costs
3. Maintenance of appropriate program documentation
4. Reporting requirements
5. Sub-recipient's financial standards and systems
6. Procurement procedures
7. Environmental clearance procedures
8. Deadline for expenditure of funds

The second visit will occur during the project's implementation. The visit shall review both financial and programmatic records and files, shall review accomplishments and progress in relation to original expectations, programmatic objectives, and federal objectives.

The organization and frequency for on-site administrative and programmatic monitoring will depend on the type of project and prior experience of the sub-recipient with CDGB funded activities. The visits will include compliance with appropriate regulations and applicable documents. The files will be examined for completeness a review of expenditures.

Additional monitoring that may be required through Labor Standard requirements and Davis Bacon laws will be performed and documented as per the CDBG-DR Grantee Handbook. Appropriate record retention will be followed.

If the activity involves acquisition, relocation, or displacement, then monitoring will be performed based on compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

Sub-recipients will be required to have audits performed per 2 CFR 200 and submitted to the City on an annual basis. Quarterly and annual reports will be required to be submitted to the City for the duration of the period of the project or restrictive covenant.

If it is determined that the sub-recipient has not met a requirement of the CDBG-DR Program, the City will provide written notice of this determination and give the sub-recipient an opportunity to demonstrate that it has taken corrective action within thirty (30) days. If unable to demonstrate compliance, the City will take corrective action or remedial action. Actions will be designed to prevent a continuation of the deficiency, mitigate its adverse effects or consequences to the extent possible, and prevent the recurrence.

Sub-recipients may be required to submit and comply with proposals for action to correct, mitigate, and prevent a performance deficiency through one or more of the following:

1. Prepare and follow a schedule of actions for carrying out the affected activities, including schedules, timetables, and milestones necessary to implement the affected activities;
2. Establish and follow a management plan that assigns responsibilities for carrying out the remedial action;
2. Cancel or revise activities likely to be affected by the performance deficiency, before expending CDBG-DR funding for the activity.