



## **Contract and Grant Monitoring: Steps for Success**

*Florida Department of Financial Services  
Bureau of Auditing*

# Training Material

For Class Participants

# Scope of Work: Assessment

## Scope of Work (SOW) Assessment

If a Scope of Work is complete and well developed, the answer to all the following questions should be “yes.”

### General

1. The SOW clearly identifies, defines, and explains the Agency’s expectations.
2. Are all facts included in the SOW accurate? (For example, in a janitorial Scope of Work for cleaning rest rooms, are the number of rest rooms correct?)
3. Does the SOW avoid any unnecessary information?
4. Does the SOW avoid unnecessary repetition of information?
5. Can the SOW be interpreted only one way?
6. Does the SOW avoid any conflicts of interest? (For example, is the provider expected to review/evaluate its own work?)
7. Are all references to state or federal laws and regulatory documents correct? If only portions of the documents apply, are the citations specific enough to be clear? (For example, reference a specific paragraph of a law rather than an entire chapter.)
8. Is all spelling correct?
9. Is the grammar correct?
10. Is the document written in active voice, so parties are clearly specified? (For example, “The provider must send 100 party invitations” rather than “100 party invitations must be sent.”)

### Provider’s Responsibilities

1. Does the SOW identify only necessary requirements?
2. Does the SOW organize the work into tasks?
3. Is the SOW complete—does it contain all tasks the Agency expects the provider to accomplish?
4. Does the SOW contain quantities of tasks required, if appropriate? (For example, 100 hours of counseling services.)
5. Are the tasks described in sufficient detail, including methodology if necessary, so the provider will know what constitutes successful completion of the tasks and the Agency can determine if the provider has met the requirements?
6. Is the SOW specific enough to enable the provider to determine the levels of expertise, personnel, and other resources necessary to accomplish the tasks? (For example, services must be provided by six licensed party planners.)
7. Are all tasks presented in logical order?
8. Are individual tasks or groups of tasks clearly tied to deliverables?
9. If timeframes are included, does the SOW specify calendar days or workdays? (For example, invitations must be sent within 10 calendar days after receipt of guest list form Agency.)
10. Does the SOW include all documentation requirements for the Agency to substantiate tasks have been completed? (For example, class sign-in sheets.)

### Agency’s Responsibilities

1. Have all required Agency approvals been included, as appropriate? (For example, approval by the Agency of the party guest list before invitations are mailed.)
2. Has the Agency determined how it will judge the quality of services performed? Have those requirements been included in the SOW, as necessary? (See #5 above.)
3. Are all Agency obligations fully spelled out? (For example, any equipment or supplies provided by the Agency, time limits for Agency approvals, or determining client eligibility.)

Scope of

Work:

Exercise

## **SCENARIO**

Studies have shown that at-risk students are more likely to drop-out of high school and engage in illegal activities. Therefore, funding has been provided for mentoring programs for at-risk high school students.

## **OBJECTIVE**

Provide a mentoring program for at-risk high school students.

## **AVAILABLE FUNDING**

Annual funding available for this program is \$100,000.

## **EXERCISE INSTRUCTIONS**

**Scope of Work (SOW):** Develop a scope of work for an agreement to provide a mentoring program. Include the following, 1. Big Picture: Articulate provider role and responsibilities. 2. Details: Specify tasks/services to be performed. Specify who, what, where, when and how the program will operate. 3. Identify the documentation required to evidence services.

# Scope of Work (Big Picture: articulate general description of work to be accomplished.)

Tasks (Articulate the deal you are making.)	Details of Implementation	Documentation to Evidence Tasks
1.	a.	a.
	b.	b.
	c.	c.
	d.	d.
2.		
3.		
4.		

# Deliverable:

# Exercise

**Deliverable** (Big Picture: state what the provider must do to receive payment, such as the provision of a month of services; completion of a number of units; completion of a phase of the project.)

**Method of Payment:**

**Unit of Payment:**

Work Completed to Trigger Payment	Required Level of Accomplishment	Compensation and Financial Consequence	Documentation to Accompany Invoice
1.	a.		a.
2.	b.		b.
3.	c.		c.



# Monitoring: Risk Assessment and Tool

## ***Risk Assessment Worksheet Example***

**NOTE: THIS DOCUMENT IS AN EXAMPLE. RISK CRITERIA, MONITORING TECHNIQUES, AND SCHEDULES MUST BE CUSTOMIZED FOR EVERY SITUATION AND AGENCY.**

***Instructions:*** For each risk criteria, identify whether it applies to the agreement and enter the corresponding number of points in the “Score” column.

Risk Criteria	Points	Score
<u>Total Dollar Value of Agreement:</u> 5 = Over \$10 million 4 = Over \$1 million to and including \$10 million 3 = Over \$150,000 to and including \$1 million 2 = \$25,000 to and including \$150,000 1 = Less than \$25,000	5 = High Risk 4 = Moderate High Risk 3 = Moderate Risk 2 = Moderately Low Risk 1 = Low Risk	
<u>Complexity:</u> 5 = Highly complex or technical 3 = Somewhat complex or technical in nature 1 = Not complex and easily understood	5 = High Risk 3 = Moderate Risk 1 = Low Risk	
<u>Public Safety:</u> 5 = Clients or public may be exposed to safety risks 1 = No client or public safety risks	5 = High Risk 1 = Low Risk	
<u>Funding Source:</u> 5 = Federal and/or state financial assistance is used 1 = No federal or state financial assistance is used	5 = High Risk 1 = Low Risk	
<u>Payment Method:</u> 5 = Fixed price 3 = Fixed rate 1 = Cost reimbursement	5 = High Risk 3 = Moderate Risk 1 = Low Risk	
<u>Procurement Method:</u> 5 = Sole source 4 = Emergency procurement, ITN, RFP 3 = Legislative mandates, exempted services, ITB 2 = RFQ (state contract or GSA) 1 = Competitive negotiation	5 = High Risk 4 = Moderate High Risk 3 = Moderate Risk 2 = Moderately Low Risk 1 = Low Risk	
<u>Vendor Performance:</u> 5 = Known to be unsatisfactory 3 = Minimal problems or unknown 1 = Meets expectations	5 = High Risk 3 = Moderate Risk 1 = Low Risk	
<u>Visibility and Impact:</u> 5 = Executive importance and impacts multiple business units 3 = Executive importance or impacts multiple business units 1 = Low executive importance and impacts one unit	5 = High Risk 3 = Moderate Risk 1 = Low Risk	
<u>Security Access and Confidential Data:</u> 5 = Has access to or is given confidential data 4 = Has access to facilities with confidential data but no direct electronic access 3 = Access ability uncertain 2 = Has access to facilities but confidential data is segregated 1 = No access to facilities or confidential data	5 = High Risk 4 = Moderately High Risk 3 = Moderate Risk 2 = Moderately Low Risk 1 = Low Risk	
<u>Other Factors:</u> Significant changes in the business process Staff turnover of key contractual stakeholders Contract manager has other high priority responsibilities	5 = High Risk 3 = Moderate Risk 1 = Low Risk	
<b>Total Risk Score</b>		

***Instructions:*** Add the risk value numbers and enter the total risk score above.

Contract/Grant Monitoring Steps for Success:

Using the scoring system below, place an X in the appropriate box to identify the risk level.

**RISK LEVEL:**

- Low            10 - 19
- Medium        20 - 39
- High            40 - 50

Once the risk level is assigned, the timing, nature and extent of monitoring is determined. Monitoring procedures should include, at a minimum, the monitoring methods and frequencies recommended.

<b>Contract Risk Level</b>	<b>Desk Review</b>	<b>On-site Review</b>	<b>Deliverable Review (if IT component)</b>	<b>Invoice Review</b>
<b>Low</b>	Semi-annual			
<b>Medium</b>	Quarterly		Approve technical deliverables	Every 4 <sup>th</sup> invoice
<b>High</b>	Quarterly	End of first quarter, then semi-annual	Approve technical deliverables, review all deliverables	Every invoice

Comment Section:

# Program Monitoring Tool

# EXAMPLE

State Agency: Department of Imagination

Contract Number: DOC12345

Provider Name: AfterSkool Specialists

Program Name: Keepem Occupied

Evaluator: J. Doe

Review Date(s): 11/30/12

Review Period: July 1 to September 30, 2011

<b><u>Part I. Qualifications</u></b>		<b><u>Activity Performed</u></b>	<b><u>Y</u></b>	<b><u>N</u></b>	<b><u>N/A</u></b>	<b><u>Comments</u></b>
1	PROVIDER has completed its annual registration with the Department of Human Services. (Agreement, part 4)					
2	PROVIDER maintains staff of one Supervisor and six tutors. (Agreement, part 4)					
3	PROVIDER Supervisor meets minimum educational and experience qualifications. (Appendix C)					
4	PROVIDER Tutors meet minimum educational qualifications. (Appendix C)					
5	PROVIDER received background check and documented no disqualifying events for Supervisor and tutors prior to staff having contact with participants. (Agreement, part 4)					
6	PROVIDER, non-profit, has tax-exempt status from Internal Revenue Services. (1110, FS)					

<b><u>Part II. Policies &amp; Procedures</u></b>		<b><u>Activity Performed</u></b>	<b><u>Y</u></b>	<b><u>N</u></b>	<b><u>N/A</u></b>	<b><u>Comments</u></b>
1	After School Education Program policy and procedure manual is made available to all employees. (Agreement, part 8)					
2	General staff meetings are held bi-weekly. (Agreement, part 8)					

<b><u>Part III. Monitoring &amp; Audit</u></b>		<b><u>Activity Performed</u></b>	<b><u>Y</u></b>	<b><u>N</u></b>	<b><u>N/A</u></b>	<b><u>Comments</u></b>
1	Evaluator was permitted access to records during visit. (1210, FS)					
2	PROVIDER maintains records in a safe and secure area at the service location. (Agreement, part 1)					
3	PROVIDER records are readily available for inspection, review, or audit by state personnel or others authorized by the department. (1210, FS)					
4	PROVIDER maintains program records and all documentation outlined in the agreement. (Agreement, part 4)					
5	PROVIDER has been audited by a certified public accountant within the past year and has submitted a copy to the Department, and any audit findings have been addressed. (1301, FS)					

<b><u>Part IV. Accounting System &amp; Controls</u></b>		<b><u>Activity Performed</u></b>	<b><u>Y</u></b>	<b><u>N</u></b>	<b><u>N/A</u></b>	<b><u>Comments</u></b>
1	PROVIDER maintains an accounting policies and procedures manual. (Agreement, part 14)					
2	PROVIDER maintains books of accounting, including accounts payable, accounts receivable, a general ledger, and records of cash receipts/disbursements in accordance with GAAP. (1919, FS)					
3	PROVIDER expenditures are properly identified, allowable, reasonable, necessary, and allocated appropriately. (111, CFR)					
4	PROVIDER pays the portion of the Supervisor's salary and work time according the budget and allocation percentage. (121, CFR)					
5	Interest earned on agreement funds provided by this agreement are identified separately in the PROVIDER's records and returned to the Department in accordance with the agreement. (1400, FS)					

<b><u>Part V. Property &amp; Equipment</u></b>		<b><u>Activity Performed</u></b>	<b><u>Y</u></b>	<b><u>N</u></b>	<b><u>N/A</u></b>	<b><u>Comments</u></b>
1	PROVIDER will annually inventory all property and equipment purchased with agreement funds. (Agreement, part 9)					
2	PROVIDER obtained Departmental approval prior to the disposal of any state owned property or equipment. (Agreement, part 9)					
3	Property purchased with agreement provided funds, with a value of \$1,000 or more, is properly inventoried with a description of the property that includes: serial number, make and model, purchase date, cost, funding source and location of item. (2020, FS)					

<b><u>Part VI. Procurement Practices</u></b>		<b><u>Activity Performed</u></b>	<b><u>Y</u></b>	<b><u>N</u></b>	<b><u>N/A</u></b>	<b><u>Comments</u></b>
1	PROVIDER has a procurement policy that ensures fair competition for all purchases and ensures providers are selected based on the best value for the goods or services. (1919, FS)					
2	A different individual is responsible for approving higher dollar purchases of supplies and services than the individual who ordered the supplies and services. (Agreement, part 20)					

<b><u>Part VII. Scope of Work</u></b>		<b><u>Activity Performed</u></b>	<b><u>Y</u></b>	<b><u>N</u></b>	<b><u>N/A</u></b>	<b><u>Comments</u></b>
1	PROVIDER verified participant eligibility and documented determinations in case files. (1920, FS)					
2	PROVIDER conducts program Monday through Friday, from 2:30 to 6:30 pm. (Agreement, part 6)					
3	PROVIDER mailed enrollment acknowledgement letter with orientation materials to participant's parents within 30 days of registration. (Agreement, part 6)					
4	PROVIDER mailed quarterly student progress reports to participant's parents. (Agreement, part 7)					
5	PROVIDER distributed and collected satisfaction survey from all program participants' parents. (Agreement, part 19)					
6	Source documentation of attendance records supports the number of students reported. (Agreement, part 19A)					
7	PROVIDER reported any staff vacancies as required in the agreement, Part 7.					

**Part VIII. Results**

**Findings:**

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**Corrective Action:**

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**Additional Comments:**

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**NOTE: THIS DOCUMENT IS AN EXAMPLE. A MONITORING TOOL MUST BE CUSTOMIZED FOR EVERY SITUATION AND AGENCY. LEGAL REFERENCES CONTAINED IN THIS EXAMPLE ARE FICTITIOUS AND ARE INCLUDED AS EXAMPLES OF SUGGESTED FORMATS.**

# Monitoring: Exercise

# Program Monitoring Tool

State Agency:

Contract Number:

Provider Name:

Program Name:

Evaluator:

Review Date(s):

Review Period:

	<b><u>Part I. Scope of Work &amp; Deliverables</u></b>	<b><u>Activity Performed</u></b>	<b><u>Y</u></b>	<b><u>N</u></b>	<b><u>N/A</u></b>	<b><u>Comments</u></b>
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