

City of Austin – Health and Human Services Department
2015 CSBG Monitoring Report
Dates of Review: November 2-5, 2015
Contracts # 61150002165, #61140001830
Monitoring Response

COMMUNITY SERVICES BLOCK GRANT – CORRECTIVE ACTIONS REQUIRED

Deficiency # 1:
Noncompliance with Open
Government Training
Requirements

COA did not provide completion certificates documenting that the advisory committee members have completed the Texas Open Government required trainings. COA utilizes an internal training curriculum that includes a section titled Texas Open Government training. However the Attorney General Open Training Information section clarifies the requirements for the curriculum and how compliance with the training requirements must be demonstrated. In order to comply with the training requirements those government entities desiring to provide their own training may do so by using the Attorney Generals free video training course or obtaining the Attorney Generals approval of the entity's own course materials to ensure accuracy. Furthermore, the Attorney General clarifies that in order to demonstrate compliance with open government training, the entity providing the training is required to provide the participant with a certificate of course completion. The TAC requires that all board members of public organizations that are eligible to receive CSBG funds receive training in Texas Open Government laws and maintain documentation of completion of all appropriate trainings. **Reference: Texas Government Code, Title 5, §551.005; 10 TAC §5.217, The Attorney General of Texas – Open Government Training Information.**

Action Required:

COA must obtain and maintain training certificates for all CSBG advisory committee members. If COA believes their training process complies with the requirements of the Texas Open Government Laws, COA must submit the course approval from the Attorney General's office. As part of the response to this report, COA must provide copies of the required training certificates for the respective Board members and the course approval from the Office of the Attorney General.

Management Response:

The Community Development Commission serves as the required CSBG Advisory Board for the City of Austin, Health and Human Services Department (HHSD). HHSD works with the City of Austin's Neighborhood Housing and Community Affairs Department (NHCD) and the City Clerk's office to ensure all Board requirements are met.

All Board and Commission members are required to take training on their roles and responsibilities. The required training includes the Attorney General's free video training course which is linked to the City

of Austin training site. The City Clerk's office retains documentation of the certificates of completion as indicated on the attached information. This information is provided to demonstrate completion of the required course for all members of the Community Development Commission. Each member's record of completion along with their certificate numbers are highlighted on the attachment.

HHSD will work with the City Clerk's office to obtain and maintain copies of the training certificates for all new members of the CDC as required by TDHCA.

**Deficiency # 2:
Tri-Partite Board Structure**

A review of the COA's Community Development Commission membership and structure indicates noncompliance with the tripartite requirements of the CSBG Act and the TAC. The Community Development Commission is made up of sixteen members, five (5) public officials, three (3) Private Representatives, and eight (8) Representatives of the Low Income Sector. The CSBG Statute requires not fewer than 1/3 of the membership to consist of representatives of the low-income sector and 1/3 of the membership shall consist of public officials. Therefore, with a membership of 16 Board members, the Board structure is not divisible by three. **Reference: CSBG Act, 10 TAC §5.213**

Action Required:

COA must ensure that the Board of Directors' and by-laws are in compliance with the CSBG Act and the TAC. COA must prepare a plan of action that details how they are going to comply with the minimum requirement of the board structure. The plan of action must include a timeline of how COA will create a Board structure where not more than 1/3 of the membership consists of public officials and at least 1/3 of the members as representatives of the low income sector. As part of the response to this report, COA must submit a copy of the plan of action.

Management Response:

The Community Development Commission (CDC) serves as the required CSBG Advisory Board for the City of Austin, Health and Human Services Department (HHSD). HHSD works with the City of Austin's Neighborhood Housing and Community Affairs Department (NHCD) to ensure all Board requirements are met. In addition, HHSD works with the Office of the City Clerk and City Legal who provides support to the City Council with all Boards and Commissions, including the Community Development Commission.

Last year, the City Council underwent significant changes in the move to the 10-1 City Council structure, which also precipitated changes in the structure of Boards and Commissions, including the CDC. In addition, HHSD conducted the CSBG Needs Assessment and based on staff recommendations, the CDC and the City Council added another seat for a low-income representative in North Austin. HHSD has requested City Legal to review the current structure of the CDC, and determine if the CDC can be decreased by 1 member (bringing the total membership to 15) or increased by 2 members (bringing the total membership to 18).

HHSD has also requested that City Legal review and consider amending the CDC by-laws and ordinance to more clearly state how each part of the tripartite requirement is fulfilled – so that the selection of members for the public, private and low-income sectors are clearly outlined according to the requirements of the CSBG Act and 10 TAC §5.213.

HHSD has also initiated discussions with both NHCD and the City Clerk's office regarding potential changes in the structure of the CDC which will ensure compliance with the tripartite structure. Current members of the CDC will also be provided with copies of the monitoring report and kept apprised of changes to the structure recommended by City Legal to ensure compliance.

Changes to the structure of the Community Development Commission recommended by City Legal will then require City Council approval.

As the process for adopting the changes recommended by City Legal to ensure compliance moves forward, TDHCA will be kept apprised of the process and anticipated timeline for completion. Updates to the by-laws demonstrating any changes to the current Board structure will then be submitted to TDHCA for review and approval.

**Concern # 1:
Board Structure – Election
Selection Process**

COA's Community Development Commission currently serves as the Advisory Board meeting the CSBG Tripartite Board requirements in Section 676B of the CSBG Act. The Community Development Commission is made up of sixteen members, five (5) public officials, three (3) Private Representatives, and eight (8) Representatives of the Low Income Sector. The current Mayor of the City of Austin (member holding a board seat) appoints all representatives for the Public Sector and Private Sector. IM 138 Public Standard 5.1, effective January 1, 2016 or with the first day of expended 2016 funds, requires that tripartite board members be selected by the tripartite board in a public process (in accordance with the Texas Open Meetings Act), and not a sole member of the advisory board or by another process specifically approved by State. 10 TAC 5.13 (b) states the State has not approved an alternative to the Tripartite Board

Action Required:

The Community Development Commission's selection procedures should be revised to ensure that selection of the elected public officials (or the selected public official's appointee/representative) and the Private Representatives are made by the tripartite board. Revised selection procedures should be consistent with the Organizational Standards.

Management Response:

As noted above, the City Council underwent significant changes in the move to the 10-1 City Council structure, which also precipitated changes in the structure of Boards and Commissions, including the CDC. In addition, HHSD conducted the CSBG Needs Assessment and based on staff recommendations, the CDC and the City Council added another seat for a low-income representative in North Austin. The Mayor appoints eight (8) members to the current sixteen (16) member Commission with input from the members of the City Council, and the other eight (8) seats are nominated and elected by members of the low income communities they represent through a nomination/election

process held by organizations in those communities. HHSD has requested City Legal to review the current structure of the CDC and consider amending the by-laws to include a process by which the CDC membership approves nominees made to the CDC by the Mayor and Council to address this concern.

As noted above, HHSD has also initiated discussions with both NHCD and the City Clerk's office regarding potential changes to the structure of the CDC which will ensure compliance with the tripartite structure. Current members of the CDC will also be provided with copies of the monitoring report and kept apprised of changes to the structure recommended by City Legal to ensure compliance.

Changes to the structure of the Community Development Commission recommended by City Legal will then require City Council approval.

As the process for adopting the changes recommended by City Legal to ensure compliance moves forward, TDHCA will be kept apprised of the process and anticipated timeline for completion. Updates to the by-laws demonstrating any changes to the current Board structure will then be submitted to TDHCA for review

**Concern #2:
Procurement Process –
Client Tracking Software**

The Department reviewed COA's client tracking software procurement and determined that the procurement method utilized might not be the most appropriate. Specifically, COA utilized the small purchase procurement process for services that in the aggregate will exceed the small purchase threshold of \$25,000.00. COA entered into a contract with Shah for their client tracking software, with the option to renew their contract. Shah requires start up fees as well as monthly fees that at the time of the monitoring had not exceeded the small purchase threshold, however in the aggregate the cost will likely exceed it. The TAC defines "aggregate" as the total potential cost of the contract including option years and amendments and requires that a Competitive Procurement or Sealed Bid process be utilized. **Reference: 10 TAC §5.10, UGMS III. Subpart C _36**

Action Required:

COA must ensure it does not exceed the small purchase threshold of 25,000.00 with Shah. If COA anticipates the need to continue with client tracking software, it must re-procure for services, taking into account the total cost of the procurement effort. If COA prefers to not perform a new procurement effort, it must not charge any expense in excess of \$25,000.00 to CSBG grants for the life of the contract and option years, and amendments for Shah. COA is not required to submit a response to this concern.

Management Response:

In order to ensure that this procurement met Texas Administrative Code and Uniform Grant Management Standards, the client database software system was re-solicited in February, 2016 through the City of Austin's Request for Proposal process and a new contract was initiated with the vendor selected through this process.

Concern #3
Inventory Form Submission

The Department's review of the last inventory submitted by the COA was 2014 for PY2013. During the monitoring review it was determined that in 2014 COA purchased a van and did not update and submit an updated inventory to the Department. COA is reminded that the process for inventory form submission is (1) accurately complete the inventory form located on the Department website; (2) submit the completed form(s) electronically to Department Community Affairs Fiscal Staff within forty-five (45) days of the contract end date. The CSBG contract requires the annual submission no later than forty-five days the cumulative inventory of all equipment acquired in whole or in part, with funds received with the current contract or any previous CSBG contract. **Reference: CSBG Contract Section 10 and 10 TAC §5.8.**

Action Required:

COA must ensure it submits an accurate cumulative inventory report for all equipment, tools, and vehicles purchased with CSBG funds in an annual basis, within forty-five days of the end of each contract. COA is not required to respond to this concern

Management Response:

The 2014 contract was extended through April 30, 2015. The van purchase occurred on March 4, 2015. The inventory report for 2014 was submitted to TDHCA on February 13, 2015, according to the Texas Administrative Code Rule §5.8, which states "The Department requires the submission of an inventory report on an annual basis to be submitted to the Department, no later than forty-five (45) days after the original end date of the contract."

An updated inventory for the City of Austin was submitted on February 11, 2016 and included the inventory of the van purchased under the contract.

Concern #4
Access to Records

During the monitoring review, COA only allowed the Department staff to leave with a redacted copy of the CSBG client files. The redacted application blacked out all of the pertinent household and income information needed in order to determine household demographics and program eligibility. The COA is reminded that Section 9 (C) of their CSBG contract requires the Subrecipient to give access to and the right to examine and copy, on or off the premises of the Subrecipient, all records pertaining to the CSBG contract. **Reference: CSBG Contract Section 9.**

Action Required:

COA must ensure the Department is afforded rights to access records as stipulated in the Contract. COA is not required to respond to this concern.

Management Response:

The City of Austin Health and Human Services Department (HHSD) worked with Texas Department of Housing and Community Affairs (TDHCA) staff to provide access to all client files on site during the week of the monitoring visit. After consultation with HHSD's Internal Auditor and Privacy Officer, staff provided copies of the client files that TDHCA requested to take off site with this personally identifiable information redacted to protect client confidentiality. HHSD staff will review and update these internal policies and procedures as needed to ensure compliance with the CSBG contract during future monitoring visits.

Observation #1: During the client file review, it was noted that the COA is not obtaining and maintaining intake forms and income documentation for all clients for each program year. COA is reminded that the TAC requires that CSBG Subrecipients complete and maintain a manual or electronic intake form for all clients for each program year, and that proof of income be from the 30 day prior to the date of application. This process is required even though there may be a case management client that spans various program years. **Reference: 10 TAC §5.207 and 10 TAC §5.19.**

Management Response: The City of Austin HHSD strictly follows the requirement to obtain and maintain intake forms and income documentation for clients for each program year. In 2015, a client who had started case management in 2014 and transitioned out of poverty in 2015 was reported to TDHCA to ensure HHSD met the required annual goal set by TDHCA, even though the client no longer needed services and had not returned for an intake in 2015. In the future, the City of Austin HHSD will not report a transition to TDHCA for a case management client in a new program year, unless the client has returned for a new intake.

Observation #2: During the Board structure review, it was noted that the Board is composed of members nominated by residents from the eight geographic areas of Austin. The Department reminds COA that the TAC requires all Board members reside within the Subrecipient's CSBG service area designated by the CSBG contract. Board members should be selected so as to provide representation for all geographic areas within the designated service area. **Reference: 10 TAC §5.216**

Management Response: As noted above, HHSD has requested City Legal to review the current structure of the CDC and consider amending the by-laws to allow representation from residents who live not only in the City of Austin but also in the surrounding areas of Travis County within the designated service area for CSBG. The eight (8) geographic areas represent low-income areas of Travis County, as required by the CSBG Act and Texas Administrative Code.