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

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## **Community Services Block Grant Program**

*Louisiana State Assessment*

*On-Site Review*

*Final*

January 15 - 19, 2010

# Louisiana State Assessment

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# **Louisiana Community Services Block Grant**

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## **I. Executive Summary**

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The Community Services Block Grant (CSBG) program 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 programs create, coordinate, and deliver a broad array of programs and 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 Louisiana designated the Department of Community Based Services of the Cabinet for Health and Family Services as the appropriate lead agency for the administration of the CSBG program. The Louisiana CSBG program provides funding, technical assistance, and support to 42 eligible entities serving 67 counties. The CAAs 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 micro-business development. The information contained in this report was compiled during a State Assessment (SA) of the Louisiana CSBG program 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**

SAs are conducted to examine the implementation, performance, compliance, and outcome of a State's CSBG program 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 December 21, 2007, OCS issued Information Memorandum 105, explaining that DSA would conduct both on-site and desk monitoring visits during Federal Fiscal Years (FYs) 2008-2010. Federal staff conducted an on-site review of the Louisiana CSBG program and its eligible entities from June 1 - June 5, 2009. The evaluation included interviews and analyses of the data collected. As per the statute, the SA examines the States 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 to 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 employment and training activities, with the Low-Income Home Energy Assistance Program (LIHEAP), with faith-based and other community-based charitable organizations, and other social services programs;
3. Innovative approaches for community and neighborhood-based service provision;
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 CAA rules;
7. Appropriate fiscal and programmatic procedures to include a Community Action Plan from the CAAs 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.<sup>1</sup>

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 the CSBG program, including Board governance, non-discrimination provisions, and political activities 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 CAA's compliance with assurances and governance requirements by gathering information and engaging in data collection and interviews.

State-level interviews included the following Division of Family Support officials: Fredell Butler, CSBG Director; Johnny Riley, Deputy Director; Lillian Thrash, CSBG Supervisor; Lionel Wilson, CSBG Specialist; Michael Harris, Office of Workforce Development Compliance Director; and Claudette Nickerson, Workforce Development Manager.

OCS reviewers assessed the following entities: the Quad Area Community Action, Hammond, LA; Total Community Action, New Orleans, LA; and West Baton Rouge Parish Council, Port Allen, LA.

OCS reviewers included: Isaac Davis, Program Specialist and Team Leader; Michael Pope, Financial Analyst; and Emmanuel Djokou, Auditor; Marie Madzy, Auditor; and Chryston Jones, Program Specialist.

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<sup>1</sup> Some assurances have been combined where appropriate.

## II. Assessment and Findings

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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 programs, including:

- Administrative, programmatic, and financial operations for the State and the CAAs assessed;
- Brochures and literature on services provided;
- Most recent CSBG financial summary reports;
- Standard Form (SF) 269 Financial Status Report for FY 2007 showing total funds authorized;<sup>2</sup>
- Audited Financial Statements;
- Louisiana State CSBG Plan; and
- Louisiana CSBG Operations Manual.

### Fiscal and Governance Operations

The CSBG statute requires each State to designate a lead agency to administer the CSBG program and for the lead agency to provide oversight of the eligible entities that administer programs in the communities. The Governor designated the Louisiana Workforce Commission (formerly known as the Department of Labor) as the lead agency to administer the CSBG program. In FY 2007, the State allocated 94 percent of CSBG funds to its eligible entities and CAAs. The State used five percent for administrative activities and one percent as discretionary funds, which were distributed to selected eligible entities.

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

**Table 1**

Use of FY 2007 Funds: Louisiana		
Uses of Funds	Amount Allocated	Percentage of Allocation
Grants to Local Eligible Entities	\$13,843,808	94%
Administrative Costs	\$ 736,373	5%
Discretionary Projects	\$ 147,274	1%
<b>Total in FY 2007</b>	<b>\$14,727,455</b>	<b>100%</b>

According to the State, administrative expenditures were for the management and monitoring oversight of the program. Discretionary funds were disbursed to the CAAs for their use based on their community needs assessment. The amount expended per the FSR Form 269 submitted by the State was \$14,727,085 with an unobligated balance of \$370. However, after review of general ledger detail and summary reports obtained from the State and an interview with the accounting manager, it was determined that the actual amount expended was \$14,727,064 with an unobligated balance of \$391. The variance was due to an adjustment in a journal entry made at year-end after the completion of the SF 269.

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<sup>2</sup> The SF 269—Short Form is used to report the amount of program income earned and the amount expended.

## **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. The State has procedures in place to ensure the CAAs have a system of governance, financial and human resource management, program and service delivery, and community relations. The State requires the CAAs 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.

## **Financial Monitoring and Accountability**

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. A draft monitoring report is developed and issued within 30 days of the on-site visit. The report identifies deficiencies, issues, and concerns requiring corrective action(s) as approved by the Board. Follow-up visits are coordinated with the CAA if deficiencies are noted during the on-site visit. A final report is sent to the Board Chairperson and the Executive Director of the agency. Not all site visits require a focus on the entire CSBG program. Some may focus on specific areas during the State's assessment review of other Federal grant programs such as the LIHEAP, ROMA performance measurement system, Board issues, or Training and Technical Assistance (T&TA).

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 the CSBG program.

The Contract Performance Section of the Division of Administration and Financial Management Procedures manual outlines the State's monitoring procedures and objectives. The Community Services Section under the Community Affairs Division is responsible for conducting on-site program monitoring visits at least once every three years. On-site monitoring reviews are conducted to meet the following objectives: review of sub-recipient performance; review of compliance to applicable State and Federal regulations, policies, and statutes; to prevent fraud and abuse; and identification of technical assistance needs. However, the State did not conduct any monitoring visits in FY 2007.

OCS reviewers examined the State's monitoring procedures and a representative sample of completed monitoring tools, reports, backup documentation, and corrective action letters. Through documentation reviews and interviews with State staff responsible for monitoring, OCS reviewers determined that the State does not have reasonable and responsible internal controls for conducting monitoring reviews for its eligible entities. The State did not conduct any monitoring visits of eligible entities in 2007. As a result, OCS reviewers determined the State is not in compliance with Sec. 678B of the CSBG Statute which mandates "a full onsite review of each such entity at least once during each 3-year period."

Further, State policy does not comply with CSBG statutes regarding (1) monitoring each agency at least once during each three-year period; (2) onsite reviews of each newly designated entity immediately after the completion of the first year the agency receives funding; or (3) follow-up reviews, including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State.

OCS reviewers also determined that the State was not in compliance with Sec. 676A. The State did not have policies and procedures for the designation and redesignation of eligible entities in unserved areas.

The State's CSBG program year is from July 1 through June 30. In the last quarter of the State's calendar year, any costs incurred by the entities prior to that first quarter are reimbursable subject to the State's receipt of Federal fiscal year funds.

The State follows the applicable centralized guidance and policies from the Division of Administration (DOA), which provides and maintains a uniform information system for all State agencies. The Integrated Statewide Information System (ISIS) is a comprehensive financial information system, which serves as the accounting, purchasing, and human resource system. The Advantage Financial System (AFS) is a complete financial management system, which supports the basic accounting functions of accounts payable and general ledger, as well as the specialized encumbrance control, fund accounting, and grants and project management. AFS maintains a financial database from which a variety of detail and summary level reports may be generated. AFS is provided for and maintained by the Office of Statewide Reporting and Accounting Policy (OSRAP).

OCS reviewers were unable to fully examine the State's general ledger detail reports and a sample of supporting source documents such as timesheets, invoices, travel vouchers, indirect cost allocation, as well as disbursements of CSBG funds to eligible entities. The State operates on a cost-reimbursement basis with the eligible entities, which are required to submit monthly expenditure reports due on the 15<sup>th</sup> of each month. The State's administrative costs include salaries, benefits, travel, training, supplies and other operating expenses for full-time and part-time CSBG staff.

OCS reviewers were unable to examine a sample of the hours charged to CSBG and inquired about how the recorded hours were processed through payroll. Timesheets and payroll documents, as well as a staff person knowledgeable about the payroll and timekeeping process, were not available for review. Since there was no fiscal officer or designated representative present at the entrance conference, OCS was unable to ask financial questions, which posed a challenge in obtaining financial information.

OCS reviewers examined the State's internal audit process and the sub-recipient monitoring process. The internal audit process is to examine, evaluate and report on its internal controls, including information systems, and to evaluate compliance with the policies and procedures that comprise controls. The State reported that during FY 2007, dedicated resources were limited as the individuals responsible for the internal audit function also performed sub-recipient monitoring for a variety of programs. According to the Louisiana Legislative Auditor's Management Letter issued in relation to the audit of the State's financial statements for the year-ended June 2008 (audit period is within the two-year program period of October 2006 –

September 2008 for the FY 2007 CSBG award), the State does not have an effective internal audit function. In response to the finding, the State hired an accounting firm to perform a quality assessment of the internal audit unit. As a corrective action, the State created the Compliance Division in December 2008 with the primary responsibility of sub-recipient compliance monitoring for all Federal programs. The creation of the Compliance Division enabled the internal audit department to be able to fully perform its internal audit role.

The Compliance Division is responsible for the examination of all State funding awarded to the eligible entities. Audit finding(s) are reported to the eligible entity's Executive Director and Board of Directors. The eligible entity's Board of Directors is required to respond to the notification letter within 30 days with a written Corrective Action Plan (CAP) that addresses the finding(s). The CAP is reviewed and approved by the State. The eligible entity's failure to respond within the allotted time frame may result in disciplinary actions imposed by the State, including de-obligation of Federal funds. The Compliance Division is also responsible for follow-up activities including sub-recipient resolution and corrective-action monitoring. Technical assistance is available through the State on a case-by-case basis for eligible entities during the corrective action process. OCS reviewers determined the State needs to develop and implement internal procedures for resolving findings or issues that may arise in the future.

### **OMB Circular A-133, Single Audit Act of 1997**

According to 45 CFR §96.31, grantees and sub-grantees 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 in any year must contract with an independent auditor to review their financial statements and Federal expenditures. The auditing firm for the State conducts the fieldwork, issues the audit report, and submits the required reporting forms to the Federal Audit Clearinghouse (FAC) with reportable findings. The State CSBG Plan submitted to OCS requires that an audit report is prepared annually.

State audits are performed to determine whether: 1) costs and program income activities were properly summarized and reported; 2) internal controls meet the State's standards; 3) costs charged to the grant were allowable; and 4) the State is in full financial compliance.

State audits are conducted under the standards of the Institute of Internal Auditors. In the performance of their duties, the State's auditing firm also considers the government auditing standards promulgated by the Comptroller General, U.S. Government Accountability Office.

OCS reviewers examined the Single Audit Collection (SAC) form for reporting on audits of States, local governments, and nonprofit organizations found on the FAC website. OCS reviewers also recognized that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board.<sup>3</sup> For FY 2007, OCS reviewers determined that not all of the eligible entities were filing SAC forms in accordance with the Federal requirements.

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<sup>3</sup> The authoritative bodies of establishing accounting principles and financial reporting standards are the Governmental Accounting Standards Board (State and local governments), and the Financial Accounting Standards Board (nongovernmental entities).

## **Recapture and Redistribution**

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 or to a private nonprofit organization. However, the Appropriation Act (H.R. 3061) contains new language which supersedes the language in Section 675(C)(3) of the enabling legislation. States are now required to continue to recapture and/or redistribute FY 2001 CSBG funds to eligible entities in accordance with the requirement in Section 675(C)(a)(1) of the CSBG Act, which requires 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.”

## **Carryover Balance**

In accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4), respectively, the grantee shall submit annual program progress and financial status reports using OMB SF 269A . The FSRs are due within 90 days of the close of the applicable statutory grant periods. The Louisiana FSRs were due December 30, 2007 and December 30, 2008. Failure to submit reports on time may be the basis for withholding financial assistance payments, suspension, or termination of funding. During the assessment, OCS reviewers noted that the State submitted its FSRs in accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4).

Grantees are required to adhere to a provision of the law under the Consolidated Appropriations Act of 2005, which requires that to the extent FY 2007 CSBG funds are distributed by a State to an eligible entity and have not been expended by such eligible entity, they shall remain with such eligible entity for carryover and expenditure into the next fiscal year.

The State reported a carryover balance of \$5,426,632 for FY 2007 and an unobligated balance of \$370 for FY 2008. Louisiana’s policy on carry over funds states that eligible entities shall retain any carry over to the next program year. When a CAA has determined that it will not utilize all of the current program year funds, it will notify the State, which will re-contract the carryover funds.

## **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. Each year, the State’s CSBG State Plan is sent to the CSBG Advisory Committee, the State General Assembly, and all eligible entities. In conjunction with the development of the State Plan, the State holds at least one public hearing. The CSBG Public Hearing was held at the Louisiana Department of Labor, September 16, 2005 at 10 a.m. From September 8, 2005, a Legal Notice was placed in the major statewide newspaper stating that the CSBG Public Hearing would be held and that copies would be available at the Department of Community Based Services for public review. A CSBG Public Hearing was held July 25, 2006. OCS reviewers assessed the State Public Hearing procedures and determined that the State was in compliance with the CSBG statute.

## **Tripartite Boards**

The State requires CAAs to submit a listing of their Tripartite Board membership prior to being approved to administer the CSBG program. CAAs 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. The remaining members are public officials or members of business, industry, labor, religious organizations, 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.

The CAAs must have their Tripartite Board certified annually to ensure the board has received orientation and/or training, which outlines and describes their responsibilities and liabilities. The certification of the Tripartite Board training must be documented in the Board minutes. The approved minutes must include the type of training, date(s) of the training, and meeting attendees. Additionally, certification must include an annual audit of services, expenditures, and reporting requirements for State, Federal, and other funding sources. These requirements are included in the contract signed between the CAAs and the State, the CSBG manual, the State Plan, and the CSBG statute. The State-outlined 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 cost(s) identified by audits.

In accordance with Federal and State law, in order to be in full compliance, each CSBG grantee 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 CAAs when representation needs to be adjusted. The State assured OCS that the CAAs adhere to the statute regarding Tripartite Boards by providing information regarding the requirements of a Tripartite Board to each eligible entity in three documents: the CSBG Operations Manual, the CSBG Grant Agreement, and the CSBG assurances submitted with the State Plan each year. OCS reviewers determined that the State did not demonstrate reasonable internal controls for monitoring and approving the Tripartite Board certifications as required in the CSBG statute.

## **Additional Administrative or Fiscal Operations Findings**

The State is required to maintain a current financial procedure manual in order to meet fiscal standards set forth by Federal regulations. Financial reports are required monthly. Quarterly financial reports are due within 30 days at the end of each quarter, and annual fiscal reports are required at the end of the State's fiscal year. The annual on-site compliance review conducted by the State should determine compliance to specific areas including financial compliance.

Failure to comply with State and Federal reporting requirements may result in corrective action including suspension of grant awards.

According to 45 C.F.R. § 96.30, fiscal and administrative operations requirements (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.

According to CSBG statute, the State is required to have processes in place to provide oversight of CSBG funds. The OCS reviewers' analyses of the State's records and procedures that included administrative, financial, and programmatic operations, determined that the State did not demonstrate reasonable internal controls to administer the CSBG Program. OCS reviewers conducted an analysis of the State's records and procedures, which included administrative, financial, and programmatic operations, and determined that the State's written policies and procedures are not in compliance with the CSBG statute. In addition, the State did not provide complete policies, procedures and records in a timely manner for the purpose of examining and verifying financial, programmatic and administrative information and processes.

OCS reviewers noted that the State charges salaries to Federal programs for non-Federal holidays. In addition to observing eight Federal holidays, the State observes other official holidays and holidays declared by the governor. State holidays include Mardi Gras, Good Friday, and General Election Day (every four years). Inauguration Day is also a holiday in the city of Baton Rouge, the state capital, once every four years. Other holidays declared by the governor include days before or after a statutory holiday, such as Christmas Eve, day after Thanksgiving (Acadian Day), and New Year's Eve. OCS reviewers requested the State to provide a list of all holidays observed for FYs 2006 – 2007, including holidays declared by the governor and copies of the governor's proclamation, but the information requested was never received. The State provided pay period schedules, which indicated pay periods with official holidays, but the dates and names of the holidays were not specified. In addition, additional holidays declared by the governor are not reflected on the pay period schedules

Through a review of State policies and procedures and interviews with State personnel, OCS reviewers determined that the State failed to comply with Sec. 678G Drug and Child Support Services and Referrals. State policies did not require eligible entities to make appropriate referrals to local child support offices or inform single parent families about the availability of child support services.

Through a review of State CSBG policies, OCS reviewers determined that the State did not have policies and procedures in place that would assure compliance with CSBG Statue, Sec. 676A.

Through a review of State CSBG policies, OCS reviewers determined that the policies and procedures for oversight and corrective actions are not in compliance with CSBG statute, Sec. 678C. OCS reviewers also determined that the State failed to provide an Annual Report in accordance with Sec. 678E

## **Program Operations**

The State reported demographic information on individuals who received services using CSBG funds in FY 2007. CAAs and eligible entities operate numerous programs designed to meet the needs identified in their respective service areas. Due to different local needs, not all CAAs provide services in all priority areas. During this State Assessment, agency records were reviewed to assess actual services provided. The assessment instrument addressed the following areas: client services received, expenditures, staff responsibility, board governance, by-laws, board meeting minutes, board manual, personnel, planning and operations, CSBG assurances, fiscal operations, T&TA grants, T&TA grant reviews, and agency postings (i.e., worker's compensation, client appeals, etc.)

The CAAs and eligible entities operate numerous programs designed to meet the needs identified in their respective service areas. Because the demographic data show 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 CAAs 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.

The State requires agencies receiving CSBG funds to prepare and submit an application referred to as a "Community Action Plan" to the State. The process requires CAAs 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.

The grant agreement outlines the following requirements for the State's CAAs:

- 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 services 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 Louisiana community revitalization. The CSBG Client Characteristics and Statistics reported by the State are found in Table 2 indicated below.

**Table 2**

<b>CSBG Client Characteristics and Statistics Reported by State</b>	
<b>Race/Ethnicity By Number of Persons:</b>	
Hispanic or Latino	2,594
African American	180,106
White	94,454
Other	2,215
Multi-race	1,351
<b>Education: Years of Schooling by Number of Persons:</b>	
0-8 years	24,495
9-12, non graduates	43,477
High school graduate/GED	51,579
12+ some postsecondary	24,418
2 or 4 year college graduates	10,027
<b>Insured/Disabled:</b>	
No Health Insurance	60,378
Disabled	40,775
Surveyed About Insurance	165,737
Surveyed About Disability	176,463
<b>Family Structure:</b>	
Single Parent/Female	86,674
Single Parent/Male	11,365
Two Parent Household	26,551
Single Person	51,001
Two Adults, No Children	19,550
<b>Family Housing by Number of Families:</b>	
Own	58,289
Rent	119,443
Homeless	2,442
<b>Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:</b>	
Up to 50%	57,625
51% to 75%	61,753
76% to 100%	36,577
101% to 125%	22,734
126% to 150%	14,581
151% or more	7,174

The program activities associated with CSBG funds as used by the CAAs in Louisiana for FY 2007 are detailed below:

### **Employment Programs**

The State reported spending \$1,057,166 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 and the creation of internships and summer jobs; and
- Other specialized adult employment training.

### **Education Programs**

The State reported spending \$824,489 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 \$535,074 in 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 \$4,581,059 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance, and/or 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 \$1,704,505 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;
- Information/referral/counseling;
- Hot meals, such as breakfasts, lunches, or dinners for congregate or home delivery meals; and
- Nutritional training in home economics, infant and child nutrition, diets, and available Federal or State programs.

## **Self-Sufficiency Programs**

The State reported spending \$27,626 in CSBG funds on self-sufficiency programs 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 \$812,321 in CSBG - funds health initiatives which include addressing gaps in the care and coverage available in the community. The 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, 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 \$1,404,150 in CSBG funds. 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 \$3,582,339 in CSBG funds on linkage initiatives. These services may include:

- Coordination among programs, facilities, and shared resources through information systems, communication 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 the barriers, such as transportation problems, that keep the low-income population from jobs or from vital everyday activities; and
- Support for other groups of low-income community residents who are working for the same goals as the CAAs.

At the local level, the CSBG program coordinates 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. The State's CAAs will coordinate with other service providers and act as a focal point for information on services in their local area. The CAAs identifies gaps in services and works with other providers to fill those gaps. The entities have organized meetings and participate in task forces with local service provider groups.

### **Programs for Youth and Seniors<sup>4</sup>**

The State reported spending \$515,691 in CSBG funds on the programs serving youth and spending \$1,009,664 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:

Youth programs, in many cases, may include:

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

Seniors programs, in many cases, may include:

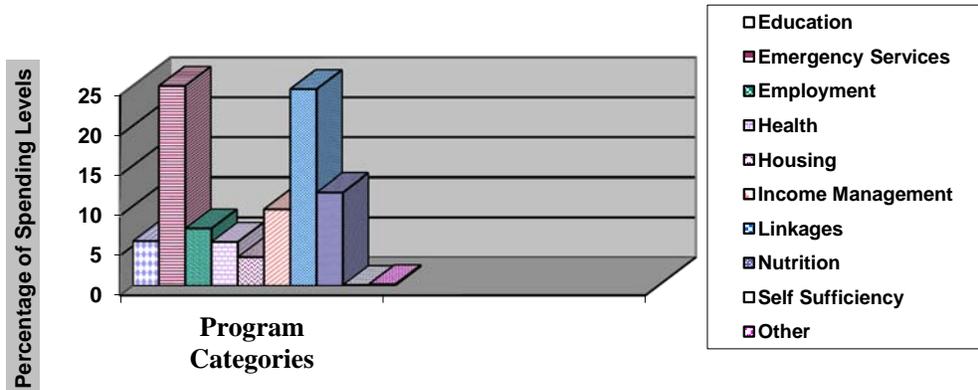
- Home-based services, including household or personal care activities that improve or maintain well-being;
- Assistance in locating or obtaining alternative living arrangements;
- In-home emergency services or day care;
- Group meals and recreational activities;
- Special arrangements for transportation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

The chart below identifies the proportion of CSBG local expenditures devoted to most of the operational purposes noted previously.

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<sup>4</sup> Programs for Youth and Seniors are recorded separately in ROMA System, and therefore not listed on the local agency use of funds chart.

**Local Agency Uses of FY 2006 CSBG Funds**



**Results Oriented Management and Accountability (ROMA) System**

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 the OCS in consultation with the CSBG network called the ROMA System. Alternatively, States may design their own similar system. States are to report to OCS their progress on the implementation of performance measurement practices.

In Information Memorandum Number 49, OCS encourages the States to submit complete, accurate, and timely annual reports to OCS on the “measured performance of the State and the eligible entity in the State.”

The Louisiana CSBG Manual outlines the accountability and reporting requirements for its eligible entities. According to the State policies all eligible entities are required to participate in a performance measure system which satisfies CSBG statutes. ROMA data is collected through the Case Management Software system that is used by the State’s eligible entities. ROMA training is provided through the NASCSP conferences on the State level, and through the local CAP conferences held for Louisiana eligible entities.

### **III. CAA Onsite Review Summaries**

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#### **Quad Area Community Action Agency, Inc.**

Quad Area Community Action Agency, Inc. (Quad) is a private, nonprofit organization incorporated in 1976. The organization administers services including youth development and employment, education services, emergency assistance, veterans' services, housing, self-sufficiency, fatherhood programs, and health services. In 2007, Quad had an annual CSBG budget of \$1,126,004 and provided assistance to over 13,000 clients. Noted CSBG-supported programs include Quad's high school for at-risk youth delivered free-of-charge, as well as the organization's Veterans' Program which provides housing and transitional services for veterans throughout the state of Louisiana.

#### **Total Community Action, Inc.**

Total Community Action, Inc. (TCA) is a nonprofit organization established in 1964. The organization administers services including homelessness prevention, family stability programs, income management services, early childhood development, transportation for the elderly and disabled, energy assistance, job counseling and guidance, and youth employment services. In 2007, TCA had an annual CSBG budget of \$1,902,340 and provided assistance to nearly 64,000 clients. TCA provided services to individuals throughout the state of Louisiana during the devastating aftermath of Hurricane Katrina in spite of undergoing its own substantial damage. At present, the entity is continuing to rebuild both physically and administratively while consistently continuing to provide services to its clients.

#### **West Baton Rouge Parish Council**

West Baton Rouge Parish Council is a non-profit organization. The organization administers services including food distribution, emergency food assistance, emergency rent assistance, emergency fire assistance, weatherization assistance referral services, and Medicaid application assistance. In 2007, West Baton Rouge Parish Council had an annual CSBG budget of \$69,461 and served 940 clients.

## IV. Assessment Findings and Recommendations

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Through a review of the State of Louisiana's policies, procedures, and documentation, OCS reviewers determined that the State was not in full compliance with CSBG statutes, the Terms and Conditions of the grant, and other Federal regulations and guidance. Internal controls for eligible entities are mandated by the Louisiana CSBG Manual. The State is required to utilize the State's comprehensive monitoring tool and maintain a monitoring schedule that assures all eligible entities are monitored in accordance to State and Federal statutes.

According to §92.43(a), Remedies for Noncompliance - If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the awarding agency may temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency.

### Finding 1

**The State did not fully provide complete policies, procedures and records requested for the purpose of examining and verifying financial information and processes.**

#### Recommendation:

OCS recommends the State:

1.1 Develop and/or implement policies and procedures to ensure that all administrative, programmatic, and financial records are readily available for Federal reviewers.

#### State's Comment:

*The State provided copies of the program's instructions that provided guidance to the CAAs when requesting CSBG funds. The documentation includes the CSBG Expenditure Report and Request for Funds forms and instructions. Included also is a copy of the States' FFY CSBG Expenditures from LWC's Fiscal Division.*

#### OCS Comment:

*OCS will review the State's policies and procedures for preparing and maintaining Federal documents for future Federal reviewers. During the corrective action process, OCS will also review the State's record retention procedures for storing official documents supporting the use of CSBG funds.*

### Finding 2

**The State failed to provide monitoring and oversight of CSBG Program in accordance with Section 678B.**

**Recommendation:**

OCS recommends the State:

2.1 Develop and implement internal policies and procedures to ensure each eligible entity is monitored at least once every three years, and the State should maintain complete monitoring files, which includes the documentation for each eligible entities.

**State Comment:**

*The State prior to this period reviewed, adhered to it's CSBG Program's Monitoring Plan, monitoring the CAAs no less than once in a three year period as outlined in the State's CSBG Specials Clauses, page 28 thru 31 of the policy. Also, see Pages 27 thru 29 of the State Plan, FFYs 2006-2007, that references the State's CSBG Program Monitoring plan. The State, however, was in the process of re-developing policies and procedures, during the period not monitored, to help ensure each aspect of the CAA's CSBG services/program and expenditures were monitored as required.*

*The State has, since OCS' review, conducted monitoring reviews on many of the CAAs, including prior to current periods, and will complete all reviews to current date within a reasonable timeframe. The State has also developed a CSBG Program Monitoring Procedures policy that will be utilized to help ensure compliance with Section 678B of the Statute.*

**OCS Comment**

*Since OCS reviewers were unable to review the monitoring reports for the site visits conducted in FFYs 2006-2007, the State should maintain complete monitoring files that includes the documentation for each eligible entity monitored. Since the State has conducted monitoring reviews on many of the CAAs, the State should provide OCS with copies of the previously requested monitoring reports during the corrective action process. At that time, OCS will determine whether the finding can be considered closed.*

**Finding 3**

**The State CSBG policy manual did not have adequate policies in place in accordance with Section 676A.**

**Recommendation:**

OCS recommends the State:

3.1 Review and update the State's CSBG policy manual to include procedures and/or guidance for the designation and redesignation of eligible entities in unserved areas.

**State Comment:**

*In accordance with Section 676A of the CSBG Act, the State's designations of eligible entities are outlined in Revised Statute (RS) 23.63, which is located on the State's Legislative website. However, the State's CSBG Program developed a policy to adequately address Section 767A,*

**OCS Comment:**

*OCS has completed their review of the newly revised State policy and considers Finding 3 closed.*

**Finding 4**

**The State did not fully provide the financial source documents needed to verify the tracing of CSBG funds in accordance with Section 678D and 45 C.F.R §92.20.**

**Recommendation:**

OCS recommends the State:

4.1 Review and update State policies to ensure the State and eligible entities account for grant funds in accordance with State laws and procedures for expending Federal funds.

**State Comment:**

*Section 06, Fiscal Requirements, of the CSBG Special Clauses, pages 9-12, address and outlines fiscal requirements and instructs the CAAs on the CSBG reporting requirements.*

**OCS Comment:**

*The State should provide the requested documents for review during the corrective action process. Upon receipt, OCS will complete their review of the State's financial documents (General Ledger, vouchers and quarterly reports) to determine whether the finding can be considered closed.*

**Finding 5**

**The State does not have written guidance, policies and procedures to address audit findings as required in Section 678C of the CSBG statute.**

**Recommendation:**

OCS recommends the State:

5.1 Develop and implement written policies and procedures for corrective actions to ensure that audit findings, deficiencies, and/or weaknesses are properly addressed and considered during the decision making process.

**State Comment:**

*Section 29 thru 31, of CSBG Special Clauses addresses and outlines the State's current policy related to Section 678C of the Statute. Accordingly, the State will develop and implement a CSBG Audit Policy and Procedures to address audit findings, corrective action and program oversight to ensure compliance with Section 678C of the requirements, by September 30, 2010.*

**OCS Comment:**

*The State will provide OCS with a copy of the newly developed CSBG Audit Policy and Procedures during the corrective action process. At that time, OCS will determine the status of Finding 5.*

**Finding 6**

**The State is unable to ensure its eligible entities are in full compliance with Section 676B.**

**Recommendation:**

OCS recommends the State:

6.1 The State should develop and implement proper internal controls to ensure eligible entities' Tripartite Board compositions are in accordance with Section 676B.

**State Comment:**

*As stated under Part II, Tripartite Boards, of your draft report, Louisiana's CSBG Program requires each of its forty-two (42) CAAs to submit an updated list of their agency's tripartite Board Membership no less than twice annually, with each year's initial subgrant application and with each amendment to the subgrant. The Board Membership List details the member's name, address, phone numbers, terms, and board composition. Further, the CSBG Special Clauses, which is included as part of the subgrantee's agreement instructs the CAAs on the Tripartite Board. In addition, CSBG Program Issuance Number 2005-02, Board Meeting Announcements and Board Minutes, was emailed on November 19, 2009 as Exhibit C to document the steps taken to ensure compliance with the Act.*

**OCS Comment:**

*OCS reviewed both the previously submitted documents and Exhibit C and concurs with the State and considers Finding 6 closed.*

**Finding 7**

**The State CSBG policy manual did not have policies and procedures in place to ensure that CAAs inform and/or refer custodial parents to the child support services as required in Section 678G.**

**Recommendation:**

OCS recommends the State:

7.1 Review and update the State's CSBG policy manual to include procedures for child support referrals to the local Office of Child Support Enforcement and require CSBG grantees and subgrantees conducting case management to document referrals to local child support offices.

**State Comment:**

*In preparation for the OCS' State Assessment, we emailed and forwarded via regular mail the Community Service Block Grant Assurances and Certification on November 19, 2009 that is included in each subgrantee's grant agreement. The Community Services Block Grant Assurances and Certification includes item 10 that states, "to ensure each fiscal year for which an eligible entity receives a grant under section 676C, such entity shall (a) inform custodial parents in single parent families that participate in programs, activities, or services carried out or provided under this subtitle about the availability of child's support services and (b) refer eligible parents to the child support offices of State and local governments.*

**OCS Comment:**

*OCS agrees that the State provided the CSBG Assurances and Certification, however, the State needs to provide a copy of the verification steps that would be used during a site visit to ensure that referrals have taken place. The State needs to develop and implement a verification document in the form of a checklist, and/or brochure "to ensure each fiscal year for which an eligible entity receives a grant under section 676C, such entity shall (a) inform custodial parents and single parent families that participate in the CSBG programs, activities, or services carried out or provided under this subtitle about the availability of child's support services and (b) refer eligible parents to the child support offices of State and local governments.*

**Finding 8**

**The State failed to establish policies and procedures to provide efficient and effective program oversight and/or corrective action(s) in accordance with the CSBG Section 678C.**

**Recommendation:**

OCS recommends the State:

8.1 Review and revise policies and procedures to ensure program oversight and corrective action policies are in accordance with Section 678C.

**State Comment:**

*Section 29 thru 31, of CSBG Special Clauses (exhibit No.1) addresses and outlines the State's current policy related to Section 678C of the Statute. Accordingly, the State will develop and implement a CSBG Audit Policy and Procedures to address audit findings, corrective action and program oversight to ensure compliance with 678C of the requirements, by September 30, 2010.*

**OCS Comment:**

*During the corrective action process, the State should provide OCS with a copy of the newly developed CSBG Audit Policy and Procedures. OCS will review the policy and procedures, and respond accordingly.*

## **Finding 9**

**The State did not provide an Annual Report for CSBG activities in accordance Section 678E.**

### **Recommendation:**

OCS recommends the State:

9.1 Review and revise CSBG procedures to ensure the production of an Annual Report in accordance with Section 678E of the CSBG statute.

### **State Comment:**

*Louisiana included in its State Plan a report on the Program Years' (the State submits a two-year Plan) use and distribution of CSBG funds, and activities funded with an approximate number of individuals and families served along with the unduplicated number of outcomes achieved during the fiscal years period. The State Plan referenced that data collected from its annual Information System Survey (ISS) as its annual report. Further, data related to the Community Food and Nutrition Program was also provided in the Plan that was submitted to and approved by the U.S. Office of Community Services' CSBG Program.*

### **OCS Comment:**

*During the corrective action process, OCS will review the reporting practices to ensure the State is accurately reporting the use of CSBG funds, review the newly developed CSBG Audit Policy and Procedures, and respond accordingly.*

## **Finding 10**

**The State did not have policies or procedures in place for verifying the accuracy of the ROMA data from the CAAs.**

### **Recommendation:**

OCS recommends the State:

10.1 Provide all CSBG grantees with the current policies and procedures for verifying the accuracy and completeness of the ROMA data.

10.2 Provide training to all CSBG grantees on collecting, reporting, and verifying the accuracy of the ROMA data to include proper oversight in verifying data reported by eligible entities.

### **State Comment:**

*The State requires each of its 42 CAAs to submit each quarter, an activity report that reflects the activities/services provided to their eligible population. The report also requires the planned number of unduplicated and actual unduplicated number of individuals/families served, the percentage(s) accomplished, and amount of CSBG funds expended on services. The data is*

*reviewed by our technical assistance staff each quarter and verified by our Compliance Division Staff during on-site reviews. ROMA training was provided by LWC's staff at the CAAs Annual Conference, May 13-16, 2008.*

*Our CSBG Program's Assurances, Certification and Special Clauses addresses, concerns in the draft report. Further, related issues are also addressed and reiterated in Program Issuances and Operating Memorandums to the CAAs as changes occur. Technical Assistance to the CAA is also provided via phone, email, fax, and on-site as requested.*

**OCS Comment:**

*During the corrective action process, the State should provide OCS with copies of Operating Memorandums to the CAAs demonstrating the technical assistance provided to the CAAs, and respond accordingly.*

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

Frances Harley  
Financial Operations Team Lead  
Telephone: (202) 401-6888  
Fax: (202) 401-5718  
E-mail: [frances.harley@acf.hhs.gov](mailto:frances.harley@acf.hhs.gov)

Correspondence may be sent to:  
Frances Harley  
Financial Operations Team Lead  
Administration for Children and Families  
Office of Community Services  
Division of State Assistance  
370 L'Enfant Promenade, S.W., 5<sup>th</sup> Floor West  
Washington D.C. 20447