

## **Exhibit II: Subrecipient Performance Monitoring**

### **Child Support Administrative Agency Responsibilities (Performance Standards)**

In accordance with 45 CFR 75.352, Department of Children and Families (DCF) must monitor the activities of subrecipients as necessary to ensure that the subaward is used for authorized purposes, complies with federal statutes, regulations, and the terms and conditions of the subaward and that subaward performance measures are achieved.

Performance standards are based on federal performance rates for the IV-D Child Support Program and state reporting requirements for county child support agencies, including System for Payments and Reports of Contracts (SPARC) expenditure reporting and filing county single audits with DCF. The following performance standards apply to all counties:

#### **Verify Accuracy of County Single Audits and Child Support Program Reporting**

All counties must submit a single audit to the DCF Bureau of Finance ("DCF Finance"). DCF Finance receives the county single audits and notifies the accountant in the Bureau of Child Support (BCS) of any findings for the child support program.

#### **Performance Standard**

The county single audit should contain no audit findings. If there are audit findings, the findings should be resolved in a timely manner with no further intervention from DCF.

#### **Remedy**

BCS and BRO will work with the county on any unresolved audit findings. Continuing unresolved findings could result in BCS requesting that reimbursement by the department be held until the finding is resolved.

#### **Verify Signing of Annual State-County Child Support Contract**

The Department and the CSA are directed by Wisconsin Statute section 59.53(5) to enter a Contract for the implementation and administration of the Child and Spousal Support, Establishment of Paternity, and Medical Support Liability Programs under Wis. Stat. § 49.22. BCS tracks the signing of the calendar year contracts.

#### **Performance Standard**

The contract must be signed within 60 days of receipt by the county.

#### **Remedy**

BCS will contact the Bureau of Regional Operations (BRO) regarding any unsigned contracts. If the contract is not signed timely, the county's funding may be suspended.

#### **Verify Accuracy of Child Support Expenditure Reporting**

BCS reviews and prepares the annual county contribution spreadsheet after the prior contract year closing that consists of child support expenditures, revenues, and the county contribution from the county for the child support program. Biennially, the report is used by Wisconsin's Legislative Audit Bureau for the Child Support Program Report.

#### **Performance Standard**

The county contribution spreadsheet will show no unusual variances regarding expenditure and/or revenue reporting.

#### **Remedy**

Any unusual expenditure and/or revenue reporting will be sent to the county and the county will be directed to provide additional information to support their child support expenditure claim. The county may be asked to correct the claim based on BCS' consultation with DCF Finance.

**Verify Accuracy of Random Moment Sampling (RMS)**

The federal Office of Child Support Enforcement (OCSE) has advised that Wisconsin must use either 100%-time reporting or random moment sampling (RMS) to record and document costs that are eligible and not eligible for federal financial participation (FFP). Random Moment Sampling (RMS) is used to determine allowable IV-D and non-IV-D (NIVD) program costs in Wisconsin. The department’s grant payment system uses the statewide RMS sampling ratios to determine NIVD allowable and non-allowable costs for federal reporting purposes. Each CSA must be classified as either Group A or Group B. The RMS ratios will differ for the two county groups.

Counties must participate in the RMS group that best fits the county’s work arrangement. BCS and DCF Finance reserve the right to move counties between groups if the characteristics of county staffing and RMS results indicate that the county belongs in the other group.

BCS reviews and publishes the RMS quarterly reports received from DCF Finance.

**Performance Standard**

No significant reporting errors for each group and/or county are expected.

**Remedy**

BCS will contact the county concerning any significant or unusual RMS reporting. BCS will request that DCF RMS work with the county to ensure RMS reporting is done correctly.

**Review County Federal Performance Measures**

BCS reviews and publishes the counties’ federal performance measures monthly. The performance rates as of September 30<sup>th</sup> are used for the contract allocation. Wisconsin’s child support rankings compared to other States are shared with the counties every year at the Director’s Dialogue.

**Performance Standard**

No significant change in federal performance measures for each county are expected. A county’s current federal performance rates are compared to prior years; therefore, a low federal performance rate may not be considered a significant change. Note: Low federal performance rates do affect the county’s contract funding.

The federal performance standards for states and territories are:

Paternity Establishment Percentage	90%
Percent of Cases with a Child Support Order	80%
Current Collections Performance	80%
Arrearage Collections Performance	80%

**Remedy**

A substantial change in a county’s performance rate(s) will be addressed with the county by BCS in consultation with BRO and a corrective action plan may be implemented.

**Child Support Agency Monitoring Reviews**

BCS collaborates with BRO to monitor each CSA for compliance with various aspects of the Child Support (CS) contract. This monitoring process promotes effective programming by ensuring that contractual and programmatic requirements are carried out, best practices are identified and shared, program deficiencies are identified early, and corrective action plans are established and implemented, when necessary.

To confirm that each CSA is adhering to the requirements and mission of the IV-D Program, BRO uses a three-year monitoring cycle, which consists of one on-site full program review and two annual check-ins. Incorporating annual check-ins into the monitoring cycle increases the opportunities for BRO regional staff and CSA directors to discuss agency performance and best practices.

The monitoring tools used by BRO are designed to fit this three-year cycle. The on-site full program review, conducted at least once every three years, uses a comprehensive monitoring tool focusing on nine specific CS program areas. An Internal Revenue Service (IRS) safeguard review is conducted at the same time as the on-site full program review, using the IRS Safeguard Review Checklist. The annual check-in, conducted in years when the on-site full review is not scheduled, uses a less formal checklist to guide discussion. Each of these tools will help us more quickly identify best practices and performance deficiencies, in order to meet and maintain our overall program objectives.

When a CSA is scheduled for an on-site full program review, the BRO Reviewer will prepare the monitoring tool by entering data into selected modules, prior to sending the monitoring tool to the CSA. The CSA will complete the review modules in advance of the BRO Reviewer site visit. During the site visit, the BRO Reviewer will discuss the information in the review tool with the CSA director and other CSA staff.

When performing an annual check-in, the BRO Reviewer will work with the CSA Director to review recent data, performance trends, significant changes over the prior year, and any performance issues identified in previous review(s). The annual check-in with the CSA is typically conducted as a desk review with discussion occurring electronically but may be held in-person when necessary or convenient.

### **Performance Standard**

The CSA should have no findings of noncompliance.

Following an on-site full program review, the CSA will receive a copy of the completed review documentation. The documentation will include a cover letter which may address any of the following: positive performance or practices, areas requiring attention or follow-up, performance deficiencies or findings of noncompliance, and/or recommendations for program improvement. The letter will identify any action items requiring follow-up by BRO and/or BCS.

### **Remedy**

In the event there are findings of noncompliance, the CSA must respond within 30 days on how they will resolve the findings and respond to recommendations made by BRO to rectify the findings. If noncompliance findings are unresolved, the agency will be subject to a corrective action plan (CAP).