

DHHS POLICIES AND PROCEDURES

Section IV:	General Administration
Title:	Subrecipient Monitoring Manual
Chapter:	Subrecipient Monitoring
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Subrecipient Monitoring

Just as the Department of Health and Human Services (DHHS) and its divisions are responsible for monitoring subrecipients, so are divisions' subrecipients that serve as pass-through agencies to subrecipients of their own are required to perform subrecipient monitoring. The purpose of the divisions' monitoring of this requirement is not to actually perform the monitoring function for the subrecipient agency, but to gain a reasonable assurance that the agency is adequately performing that function.

Suggested Monitoring Procedures:

For subrecipient assessed as low risk:

1. Inquire of the subrecipient to determine if they have subrecipient relationships.
2. Review the agency's internal control information to determine if the data indicates that the agency performs subrecipient monitoring.
3. Review activity and financial reports to determine if subrecipient payments and activities are appropriately reported.

For subrecipients assessed as medium risk:

In addition to the procedures outlined above for low risk subrecipients:

1. Request a copy of the subrecipient's subrecipient monitoring plan. Review to ensure that all applicable areas are addressed.
2. Request a copy of the documentation of subrecipient monitoring for a sample of the agency's subrecipients. Review to determine if monitoring is occurring as planned and is adequately documented.

For subrecipients assessed as high risk:

In addition to the procedures outlined above for low and medium risk subrecipients:

1. Review a sample of contracts from the agency to determine if it is accurately identifying financial assistance arrangements that necessitate subrecipient monitoring.
2. Review all subrecipient files of the agency to determine if documentation of subrecipient monitoring activity is occurring.

3. Participate with the agency in a monitoring event related to one of the agency's subrecipients. Evaluate whether the procedures followed provide adequate assurance that the agency's subrecipient is using state or federal funds in an approved manner.

Documentation:

Monitoring Tool/Instrument
Working Papers
Summaries
Monitoring Results Report

For questions or clarification on any of the information contained in this policy, please contact [Office of the Controller](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).