

First 5 Commission of San Diego

Attachment B: Timing, Frequency, and Prioritization of Reviews

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Administrative Policy F5C-A08: In-Depth Invoice Reviews

1. The timing and frequency of Reviews shall be determined by the contract's risk assessment documented on the Risk Assessment Checklist (Checklist) in the contract file. The Checklist is utilized by contract monitors to assign a monitoring risk category (*low*, *moderate*, or *high*) to all contracts. The risk assessment rating is determined by taking several factors, such as the annualized contract amount and results of the contractor's independent audit, into consideration.
 - a. For *low* or *moderate risk* monitoring category contracts:
 - i. The Review may be performed at the First 5 Commission office as a desk review and a minimum of two months of invoice data will be tested.
 - ii. For capital contracts the verification of the existence and proper use of the assets (to serve children ages 0 to 5) will be the responsibility of the Commission's Capital Contract Monitor (Monitor). If a fiscal review is conducted by fiscal staff at the contractor's site, the fiscal reviewer may verify the existence and proper use of the assets, so as to relieve the Monitor of the responsibility for the current review period.
 - b. For *high risk* monitoring category contracts:
 - i. The Review shall be done as a fiscal site visit at the contractor's site, unless the entity is outside San Diego County. The review for contracts in this category shall consist of a minimum of three months of invoice data.
 - ii. For entities outside San Diego County, the Review will be performed at the Commission's office as a desk review.
2. The following situations will require increased invoice reviews. The increase in reviews will be determined by the severity of the issues:
 - a. Contracts that are placed on the Compliance Alert Report for fiscal reasons.
 - b. Contracts with a recent Review containing significant material discrepancies or systemic errors that have not been resolved.
 - c. Special requests from Commission staff (with justification) on a case-by-case basis.
3. The priority for scheduling reviews shall be as follows:
 - a. First priority will be given to *high risk* contracts.
 - b. The next priority will be given to *low* and *moderate risk* contracts with values in excess of one million dollars.
 - c. For *low risk* contracts (other than capital) valued at less than \$ 80,000 for the contract year, providing that the contractor has had previous contracts with the Commission and is currently in good standing (determined to be compliant per a previous review),

the Review will be optional. A Review will be performed upon the request of the contract monitor if one is deemed appropriate. In no case will a contractor exceed five years without a review.

d. Special Categories:

- i. Contractors with multiple active Commission contracts during the contract year:
 - If all contracts are considered *low* or *moderate risk*, a minimum of one contract per contractor will be reviewed.
- ii. Consultant contracts:
 - Commission contract monitors are responsible for administrating consultant contracts to ensure that results are achieved within the fiscal requirements of the contract.
 - Due to the limited line items of the budget and continuous monitoring by the contract monitor, only contracts in excess of \$ 500,000 or with *high risk* monitoring categories will be reviewed.

Sunset Review: February 2011

Approved:

Laura Spiegel, Executive Director

Date