



## Energy Transition Navigator Program 2024-25 Program Manual

# Chapter 9: Programmatic Monitoring and Audit Requirements

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## Chapter Overview

By the end of this chapter, you will be able to:

- Describe the importance of program monitoring.
- Adhere to the Energy Transition Navigator Program compliance review process.
- Navigate the grant renewal process.
- Comply with the progressive corrective action process.
- Attend administrator meetings to learn about network updates and provide feedback on programmatic progress.
- Meet audit requirements.

## Program Monitoring

**Program monitoring** is the process designed to ensure that grantees are making progress to meet their goals as defined by the grantee's Work Plan. The Energy Transition Navigator Program Grant Manager will conduct program monitoring. The Grant Manager's responsibilities include but are not limited to; supporting the implementation of grant programs, ensuring budgets are within the scope of funding, enforcing regulatory compliance, ensuring grantees progress toward meeting required outcomes, and enforcing progressive corrective action.

Grantees funded through the Energy Transition Navigator Program are subject to fiscal and programmatic monitoring visits by the Department in accordance with 2 CFR 200.337. Grantees are required to have an open-door policy allowing for periodic visits by DCEO and Energy Transition Navigator Program monitors to evaluate the progress of the program and provide documentation upon request of the monitor. Program staff will also maintain contact with participants when needed.

*Note: DCEO may modify the terms of a grant based on program performance.*

## Compliance Review

Grantees will be assessed to determine the impact their program is having on their targeted populations and the effective and efficient utilization of the funds. The reviews will assess how well grantee staff are meeting proposed goals in the planned timeframes, how many participants are being served, how the

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money is being spent, whether any problems have developed that may hinder the progress of the project, and if they are delivering services in a way that is compliant with:

- DCEO standards, policies, and procedures.
- State of Illinois regulatory guidelines.
- State and federal laws.
- Program requirements and guidance outlined in the Grantee Manual, including core equity values.



DCEO will ensure that periodic on-site monitoring (at least once a year) and in-house desk monitoring (at least once a month) is conducted during the grant period and upon its completion by the Energy Transition Navigator Program Grant Managers and/or other DCEO staff. All programs are subject to compliance reviews throughout the fiscal year.

The reviews include, but are not limited to:

- Validating that the grantee's financial management system is structured to provide accurate, current, and complete disclosure of grant expenditures.
- Confirming that all expenditures are in accordance with the provisions, terms, and conditions contained in the grant agreement with the Department.
- Verifying that participant files are maintained and contain documentation sufficient to demonstrate eligibility for participation in the program, support services, and the credentials they seek to earn.

*Note: See Section 8: Finances, Records, and Reports for information on participant files.*

### Monthly Compliance Review

Grant Managers will conduct **monthly compliance reviews** to ensure grantees are adhering to program expectations based on the grant agreement and the approved Work Plan. During this monitoring process, the grantees' Grant Manager will review participant data from the CEJA Reporting System to determine each grantee's progress toward enrollment, completion, and transition goals.

Based on the data entered in the CEJA Reporting System, the Grant Manager will assess if grantees are making:

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- **“Excellent progress”** when they are exceeding their required outcome (the grantee is meeting more than 100% of their required outcome at the approved timeline).
- **“Good progress”** when they have made significant progress and are likely to meet the required outcomes (the grantee is meeting 76% to 100% of their required outcome at the approved timeline).
- **“Inadequate progress”** when grantees make some progress but are not likely to meet the required outcome (the grantee is meeting from 50% to 75% of their required outcome at the approved timeline).
- **“Poor progress”** when grantees are not making enough progress towards meeting the required outcome and are not likely to meet the required outcome (the grantee is meeting less than 50% of their required outcome at the approved timeline).

## Communicating Compliance Ratings and Findings

Once an overall progress rating is determined, each grantee will be emailed the **Monthly Compliance Progress Report**. This report provides the grantee with their overall progress rating, notes regarding their progress rating, and any relevant data trends identified in the review. Information detailed in the progress report is only a snapshot of what was entered in the CEJA Reporting System since the previous month’s compliance review. This report is not an aggregate report. Only new inquiry contacts, applicants, and enrollees since the last Monthly Compliance Progress Report are listed.

## Grantee Renewal Process

As established in GATA and explained in the Notice of Funding Opportunity (NOFO) for each grant year, grantees can renew their grant up to two (2) times for a total of three years before having to reapply through the merit-based competitive process.

A few months before grant renewal, DCEO will alert grantees that they have been invited to renew their grant agreement. Grantees will be invited to renew based on their program performance. Grantees invited to renew will be asked to submit a grant renewal application. This application may include, but not be limited to, a grant application form, proposed work plan, proposed curriculum, staffing plan, marketing plan, program improvement plan, updated budget, and state-required disclosure forms. Additional forms or information may be requested by DCEO if deemed necessary.

Renewals are extensions of the original grant agreement. After the second renewal, GATA requirements dictate that grantees must re-apply and go through a competitive bid process. This officially closes the original grant agreement.

## Progressive Corrective Action

Grantees must adhere to the program expectations and requirements outlined in the Program Manual and the grant agreement. Grantees who don’t adhere to requirements and/or meet program expectations may be required to implement corrective actions to regain compliance.

*Note: Program policies and procedures, as described in the Program Manual, are subject to change. Any changes to policies and procedures will be officially communicated to the grantee and posted in the Energy Transition Navigator Partner Guide.*

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The Grant Manager is responsible for enforcing progressive corrective action, which occurs in the following phases:

- **Warning** - If not enough progress was made for a required outcome and the grantee has a status of “inadequate progress” or “poor progress” for two consecutive months, the grantee will be issued a warning. A warning is a formal notification that expectations are not being met, those unmet expectations have been communicated to the grantee, and the grantee must create and implement a **Corrective Action Plan** within one week to address noncompliance.
- **Watchlist** - The Watchlist is designed to identify and assist noncompliant grantees to improve performance and participant outcomes. After three months in the “poor progress” or “inadequate progress” status, the grantee is placed on the Watchlist. Once on the Watchlist, a grantee will receive targeted and customized technical assistance. When placed on the Watchlist, the grantee will receive a letter from DCEO outlining the lack of compliance and requesting that a Corrective Action Plan (Watchlist) be created in coordination with the Grant Manager. The Corrective Action Plan will be submitted to DCEO within two weeks of the receipt of the official letter. Once approved, the Corrective Action Plan will be implemented by the grantee and the Grant Manager will verify progress through the Monthly Program Review. Grantees on the Watchlist making marked improvements that bring them back to at least a “good progress status” will be removed from the Watchlist. Once removed from the Watchlist, the grantee will no longer be required to follow the Corrective Action Plan (Watchlist). However, if no significant progress is made and after three months of being on the Watchlist, the grantee will be automatically moved to Probation.
- **Probation** - Probation is designed to actively monitor programs that fail to meet compliance with required program activities, performance benchmarks, and/or fiscal and administrative rules. If the grantee fails to address the outlined expectations as stated in the grantee’s agreement within three months after being placed on probation, the program may be subject to decreased funding, or closing of the agreement, and may not qualify for additional funding in the future. A grantee will be placed on Probation for the following reasons:
  - Being on a Watchlist for three consecutive months.
  - Not carrying out program requirements such as the delivery of the required services as outlined in the Program Manual and the grantee’s agreement.
  - Inadequate administrative and financial controls resulting in misuse of funds, and inadequate data management and reporting, among others.

The Corrective Action Plan will be submitted to DCEO within two weeks of the receipt of the official letter. Once approved, the Corrective Action Plan will be implemented by the grantee and the Grant Manager will verify progress through the Monthly Program Review.

Once the grantee achieves at least a “good progress status” they will be removed from Probation and will no longer be required to follow the Corrective Action Plan.

*Note: Grantees on probation are in jeopardy of not having their grant renewed during the next funding cycle and are at risk of having their funding reduced or taken away for the current funding cycle. If there is an egregious offense, funding can be halted/discontinued prior to the end of the current funding cycle without the program being placed on probation first.*

### Administrator Meetings

The administrator meetings are designed for DCEO to present on grantee network progress, upcoming changes to programming, reporting, or important deadlines. This is also a time when the program administrators are encouraged to ask questions, make comments, and offer ideas on how to enhance the program.

More details regarding these meetings are available in the Energy Transition Navigator Partner Guide.

### Audit Requirements

The State of Illinois requires all grantees to comply with federal audit requirements in addition to State-specific audit requirements. This section will be an overview of the different types of audits and when they are required.

*Note: For information regarding audit requirements and compliance please visit the [GATA Resource Library](#) or contact [ceo.externalauditunit@illinois.gov](mailto:ceo.externalauditunit@illinois.gov).*

#### Audit Types

Not all grantees are required to submit an audit based on federal and state audit requirements. Audit requirements are based on the amount and type of funding (state, federal direct, or federal pass-through) as well as other requirements:

Grantees who expend \$500,000 or more during the grantee's fiscal year in State, direct federal, and federal pass-through funds, singularly or in any combination, and are **not subject to the single audit**, must have a financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS)

Grantees who do not meet the requirements in subsection (a) but expend \$300,000 or more during the non-federal entity's fiscal year in State, direct federal, and federal pass-through funds, singularly or in any combination, must have a financial statement audit conducted in accordance with Generally Accepted Auditing Standards (GAAS).

Grantees who do not meet the requirements in subsection (a) or (b) but have audits conducted voluntarily or based on other regulatory requirements must submit those audits for review. For example, the Illinois Attorney General requires nonprofits to have audits conducted if total revenues are \$300,000 or more. This audit is required to be submitted through the GATA Audit Report Review process.

*Note: The uniform guidance is 2 CFR 200.501 -- Audit Requirements.*

#### Audit Reporting and Documentation

The type of audit (Single, GAGAS, GAAS, or other audit type) dictates the documents that must be submitted through the Grantee Portal. Below is a listing of the documents that must be submitted depending on the type of audit conducted.

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If a grantee does not meet the threshold for requiring an audit to be conducted and does not have any audit conducted for other purposes, they must still annually complete the **audit certification** and **Consolidated Year-End Financial Report** in the GATA Grantee Portal.

The audit certification will help grantees identify the type of audit that is required of their organization based on their response to a series of questions. Once completed, the system will provide grantees with their audit determination, a list of required materials, and the timeline for submission. The audit certificate and **Consolidated Year-End Financial Report** must be submitted within 60 days of the end of the grantee's fiscal year.

### Financial Statement Audit

This audit reporting package is for grantees who do not meet the threshold for Single Audits but expend over \$300,000 in State, Federal, or Federal pass-through awards during their fiscal year or grantees that have an audit conducted for other purposes.

Audit Reporting Package (due 30 days after audit report completion but no later than six (6) months after the end of the grantee's fiscal year-end):

- Financial Statements (200.510(a))
- Summary Schedule of Prior Audit Findings (200.511(b))
- Auditor's Report (200.515)
- Including GAGAS requirement: Report on Internal Control over Financial Reporting and Compliance (200.515) for grantees with a year-end of 12/31/18 or later
- Corrective Action Plan (200.511(c))
- Management Letters issued by auditors (AU325)
- Consolidated Year End Financial Report with 'In Relation to Opinion'
- State Data Collection Form Auditor's Peer Review letter

### Audit Not Required and No Audit Conducted

For grantees that are not required to submit an audit report per the requirements above, grantees must still submit the following document(s):

- Consolidated Year End Financial Report (due 30 days after completion but no later than six (6) months after the end of the grantee's fiscal year-end)

### Audit Submission

Single Audit Packages must be submitted by the grantee to the Federal Audit Clearinghouse (FAC). The due date of submission is the earlier of 30 calendar days after receipt of the auditor's reports and 9 months after the end of the grantee's audit period.

It is important to note that the State compliance items must be uploaded to the [GATA Grantee Portal](#) within 30 days of the FAC submission or 9 months after the grantee's fiscal year-end, whichever date arrives sooner. As a reminder, the State compliance items include:

- Management Letters issued by auditors (AU325), if applicable
- Consolidated Year End Financial Report with 'In Relation to Opinion'

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- Auditor's Peer Review Letter

All other audit packages or required documentation must be uploaded to the [GATA Grantee Portal](#) within 60 days after the grantee's fiscal year.

Specific directions on how to navigate the Grantee Portal can be found in the [Resource Library of GATA](#).

Grantees may contact [ceo.externalauditunit@illinois.gov](mailto:ceo.externalauditunit@illinois.gov) with questions or clarifications regarding audit requirements.

*Note: Non-compliance with audit requirements could result in implementation of the Grantee Compliance Enforcement System (GCES) and may result in the inability to receive grant funds.*

## Resources

[2 CFR 200](#)

[44 IL Admin. Code 7000.90](#)

[Resource Library - GATA](#)

[Illinois Grant Accountability and Transparency Act \(GATA\) Grantee Portal](#)

Corrective Action Template