

Subrecipient Corrective Action Procedures

All grants administered by the California Governor's Office of Emergency Services (Cal OES) are subject to the many requirements found in federal and state laws, federal regulations (e.g., *Code of Federal Regulations*), federal requirements (e.g., *Office of Management and Budget Circulars*) and state policy guidance. Recipients of these grant funds (referred to as Subrecipients) are also subject to periodic reviews in the forms of audits and monitoring to assure compliance with all applicable requirements. Such reviews often result in the identification of "Findings of Non-Compliance."

"Findings of Non-Compliance" may originate from several different types of reviews, including audits (Office of Management and Budget Circular A-133 or grant-specific), desk compliance reviews and field compliance reviews. Findings are defined as discoveries that, within the context of any review process, represent operational deficiencies or errors, material program weaknesses or unacceptable program liabilities that would probably result in questioned grant costs or, collectively characterize a significant risk to program integrity.

This document provides instructions to Subrecipients (S/R) regarding Cal OES' requirements for corrective action(s) relative to review "Findings." Whenever a Finding is issued against a grant, the Subrecipient is required to formally respond and demonstrate either the S/R's completed or proposed corrective actions. In simple terms, corrective action identifies the "who did what to address the issue?" referenced in the Finding, and "when was it done, or when will it be completed?"

By answering such questions, the S/R develops a Corrective Action Plan (CAP) that provides detailed information for the activities either completed or planned to address the issue(s) referenced in the Finding. In order to expedite this response process, Cal OES has developed a sample plan format with detailed instructions.

For Non-Compliance Findings that have not been resolved, laws and regulations permit the Cal OES and the S/R to enter into a formal compliance agreement that is represented by the S/R's Corrective Action Plan (CAP). An approved CAP allows the Cal OES to suspend enforcement actions for up to 180 calendar days, pending resolution of outstanding Findings. The Cal OES is obligated to resume enforcement actions if a S/R does not resolve the Non-Compliance Findings before the end of the CAP.

In order to determine if the S/R's Corrective Action Plan is sufficient, the CAP must:

- Identify the original Finding(s) of Non-Compliance, including specific identifiers listed in the report (e.g., Finding #1) and the terms of non-compliance.
- Identify the S/R staff responsible for corrective action, including title and complete contact information.
- Describe the specific corrective action taken (or to be taken) for each Finding.
- Show the planned completion date for each major activity.
- Include documentary evidence to verify compliance of Findings that have been resolved.
- Include the signature of an authorized agent of the S/R.

When the CAP is received, Cal OES staff will determine whether the Plan reasonably and sufficiently addresses the Non-Compliance Findings. The Cal OES will notify the S/R if the CAP is approved, or, if further information or documentation is required.

For each Finding where the S/R has proposed planned activities, you may be required to re-submit the CAP before the ending date (180 days), indicating that planned activities have been completed with a certification that the S/R became compliant, along with the applicable date(s) and documentary evidence to verify compliance.

Please submit the original CAP to:

California Governor's Office of Emergency Services
Grants Monitoring
3650 Schriever Avenue
Mather, CA 95655

Please also submit a copy of the CAP to your assigned Program Specialist. The subrecipient is encouraged to consult with its assigned specialist to develop their CAP.

