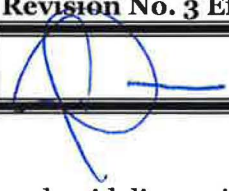


Workforce Connections Administrative Policies Compliance Assurance Reviews	Admin-010-03
Supersedes Policy No. 5.5 dated 06-29-11	Revision No. 3 Effective 03-15-2017
Policy Approved By: WC Executive Director Policy Adopted on: September 2014	

Purpose:

To establish Workforce Connections' (WC) Policy and guidelines with respect to oversight and monitoring of sub-recipients.

Background:

Consistent with the requirements established by Federal statutes the Local Workforce Development Board (LWDB), WC is responsible for oversight and monitoring of the operation of Federal award-supported activities. WC must monitor its activities under Federal awards to assure compliance with applicable Federal requirements. Title I of the Workforce Innovation and Opportunity Act (WIOA) mandates the necessity to conduct oversight of adult, dislocated worker and youth workforce development activities authorized under sections 129 and 134 of WIOA respectively, and the one-stop delivery system in the local area. The law further mandates the necessity to monitor and evaluate recipients/sub-recipients to ensure that awarded funds are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of sub-award agreements under Title I of WIOA.

Policy:

It is the policy of WC, as the local workforce administrative entity, to provide monitoring/oversight to its sub-recipient(s), the one-stop operator(s), and all other programs operated by or on behalf of WC at least once per sub-recipient contract year. Monitoring and oversight will be designed to comply with Federal, State and local standards.

Reference:

PL 113-128 WIOA [Sec. 107 (d) (8); Sec. 184; Sec. 194; Sec. 503]
[2 CFR Part 200]; [20 CFR Part 683.400]; [20 CFR Part 683.410]; [SCP 5.7]

This policy may be subject to change as additional Federal statutes and regulations, State policy and guidelines are released.

Monitoring is a regular, systematic review of programmatic and fiscal activities, administrative systems and management practices to determine if they are appropriate, effective and in compliance with the terms of the sub-award, Federal statutes, State directives, and WC policies/guidelines.

Compliance monitoring has, as its objective, to determine if program activities comply with applicable laws, regulations and other administrative requirements upon which the release of funds is conditioned. The general purpose of compliance monitoring is to determine compliance with sub-award requirements, terms and conditions. Financial monitoring is a special function of compliance monitoring and focuses on compliance with requirements for financial systems, cost limitations and expenditure rates. Because sub-award requirements are designed to ensure lawful use of public funds, compliance monitoring is closely associated with program integrity.

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I. Monitoring – General Provisions

- A.** WC is required by law to ensure the accountability of its sub-recipients. Therefore, monitoring activities have been developed to ensure the integrity of programs funded under Title I of WIOA, attainment of intended results; resources are efficiently and effectively used for authorized purposes and are protected from waste, fraud, and abuse; and verify that reliable and timely information is captured and reported to serve as the basis for improved decision-making and required reporting within the workforce development system.
- B.** Comprehensive monitoring activities include site visits, interviews, desk reviews, and analyses of both financial and program outcomes to help identify compliance violations and potential weaknesses before such activities result in substandard performance or questioned costs.
- C.** Monitoring activities will assess a sub-recipient's compliance with applicable Federal, State, and local laws, regulations, sub-award provisions, policies, and official directives. WC will assess the sub-recipient's compliance with the appropriate uniform administrative requirements for grants and agreements applicable to the type of entity receiving funds, as promulgated in the 2 CFR part 200. Monitoring reviews may result in findings that require immediate corrective action or recommendations that provide practical solutions.
- D.** The overall responsibility of ensuring the integrity of Federal funds and compliance monitoring and oversight of sub-recipient's operations are some of the most important functions assumed by the LWDB. WC will conduct regular oversight and monitoring of its sub-recipients in order to:
 - 1. Determine whether or not there is compliance with provisions of WIOA regulations and other applicable laws and regulations;
 - 2. Determine whether or not there is compliance with applicable State and local laws, regulations, sub-award provisions, policies, and official directives;
 - 3. Determine that expenditures have been made against the proper cost categories and within the cost limitations specified in the Act and its associated regulations;
 - 4. Assure compliance with uniform administrative requirements, cost principles, and audit requirements as specified in 2 CFR part 200;
 - 5. Determine compliance with nondiscrimination, disability, and equal opportunity requirements of Sec. 188 of WIOA;
 - 6. Determine if sub-recipients have demonstrated substantial compliance with established policies related to provision of services within the local area;
 - 7. Determine whether or not there is compliance with sub-award terms and conditions;
 - 8. Require prompt corrective action for any substantial violation of applicable Federal, State and local laws, regulations, sub-award provisions, policies, and official directives;
 - 9. Determine if the sub-recipient has taken appropriate corrective action to secure compliance with applicable Federal, State and local laws, regulations, sub-award provisions, policies, and official directives;
 - 10. Provide technical assistance as necessary and appropriate;
 - 11. Issue additional requirements and instructions as necessary.

II. Compliance Monitoring

Consistent with WIOA and its associated regulations, WC is responsible for monitoring all program activities and services, management systems and practices supported with Federal or State funds to ensure legal, fiscal, administrative and programmatic compliance.

A. Compliance monitoring of program activities and services to participants includes, but is not limited to:

1. Review of the intake and referral process;
2. Review of customer flow and quality of services to ensure services are universal, easy to access, and that both program participants and employers are served in a timely manner;
3. Review of the eligibility determination process and certification;
4. Review of assessment tools;
5. Review of vocational training, on-the-job training programs, work experience and supportive services;
6. Program results or outcomes;
7. Performance measures;
8. Record keeping and file maintenance;
9. Data recording and reporting, including data integrity and quality;
10. Policies and procedures.

B. Compliance monitoring of program administration and management practices includes, but is not limited to:

1. Review of fiscal and accounting procedures;
2. Review of internal control systems;
3. Review of financial and fiscal reports;
4. Review of administrative controls;
5. Review of non-discrimination/EEO compliance, policies and procedures;
6. Budget methodologies;
7. Cost allocation plans and processes;
8. Cash management practices;
9. Cash disbursement compliance and documentation.

III. Performance Monitoring

WC program and fiscal staff are responsible for monitoring and validation of actual program performance against performance standards as established in the contract. Performance monitoring is conducted through on-site visits and desk reviews.

A. Performance Monitoring includes, but is not limited to:

1. Assessment of planned service level;
2. Assessment of fiscal and administrative compliance;
3. Assessment of program operations and compliance;
4. Assessment of expenditure and reporting;
5. Assessment of whether the service provider is meeting its performance outcome goals.

B. Scope: The results of this actual-versus-plan review are used to assess progress toward performance goals and objectives, to identify existing emerging problems, and to initiate explanations, corrective actions and/or sub-awardee actions as appropriate. This method of monitoring may be conducted as scheduled or as often as deemed necessary using MIS to ensure compliance with sub-award agreements.

IV. Monitoring Report

A. Each on-site visit must be documented with a written report. The monitoring reports are official records of WC's review of the sub-recipient and constitute the basis for future program assessment and evaluation. The monitoring report shall be written as a result of desk review, field review, participant interviews, and all other related on-site review activities. The report will clearly state the objectives, scope and methodology of the monitoring and will clearly state findings, recommendations, and whether corrective action is required. Findings will contain a statement of criteria (regulation, directive, or sub-award agreement clause), the condition found, the cause of the problem, and the effect or consequence that will result if corrective action is not taken. Any technical assistance provided to the sub-recipient will also be included in the report.

1. The report shall be submitted to WC administration for management/quality assurances review and action. After determination of compliance and that quality standards are met, the monitoring report shall be transmitted to the respective sub-recipient and, if corrective action is required, a response from the sub-recipient will be secured. Resolution of corrective action shall be sought until all issues of non-compliance are resolved.
2. Where appropriate, findings shall remain open pending follow-up on successive monitoring visits.
3. If, during the monitoring process, the monitor suspects that he/she has discovered possible fraud/abuse, monitoring of the sub-recipient will be terminated and findings will be reported immediately to his/her supervisor and the WC Executive Director.

WC Executive Director shall make a determination regarding submission of an incident report to the State/DETR/Employment Security Division/Workforce Investment Support Services (ESD/WISS).

B. Monitoring Report Standards

1. Complete
2. Accurate
3. Objective
4. Convincing
5. Clear
6. Concise

C. Report Closing

1. When corrective action is recommended to resolve a finding or address a concern, written corrective action is required from the sub-recipient. Written corrective action must be received within 30 days from the monitoring report date. A copy of the report will be distributed to the appropriate WC staff.
2. If the corrective action response is deemed sufficient and corrective action has taken place, a closure letter will be initiated by WC. Where appropriate, findings shall remain open pending follow-up by the monitoring unit as appropriate.
3. Should the sub-recipient/one-stop operator's response be inadequate, WC will respond in writing requesting additional information. The sub-recipient will then have 10 working days to properly respond and provide requested information.
4. WC will verify that corrective action has been implemented. At that time a letter will be issued formally closing the finding(s) and documenting resolution of any questioned cost(s).

V. Technical Assistance

A. Technical assistance and training may be recommended by WC or requested by sub-recipient(s) and the one-stop operator(s). Technical assistance may be the resource for improving program operations, continuous improvement of the workforce delivery system, and facilitating the implementation of corrective action or providing general information.

B. Continuous improvement

1. Identify weaknesses and areas of non-compliance.
2. Identify best practices.
3. Provide technical assistance.
4. Allow sufficient time for corrective action.
5. Follow-up to ensure corrective action is completed.

C. Sub-recipients will not be monitored on the quality or compliance of their programs during technical assistance visits, **but they will be provided direction to improve quality and compliance issues.** Requests for minor technical assistance may be made verbally or in writing (e-mail format). If major assistance is required in several areas, the request should be in writing so WC staff has sufficient information to decide on the most appropriate form and level of assistance to provide.

VI. Monitoring Process

A. Notification Process

WC oversight program and fiscal staff shall provide written notice to each sub-recipient being monitored at least 15 calendar days prior to the review being conducted. The written notice, at a minimum, shall inform the sub-recipient of the specific date(s) of the on-site review, the systems or programs being reviewed, and the estimated time of arrival. If the date(s) identified on the written notification is not convenient for the sub-recipient being monitored, WC shall be contacted as soon as possible.

WC and the sub-recipient will determine a mutually satisfactory date and the on-site review will be rescheduled.

B. Access to Records

WC, as the administrative entity, or its authorized representatives has the right of timely access to any books, documents, papers, computer records, emails, or other records of sub-recipient and sub-award that are pertinent to the use of any funds administered by WC, in order to conduct monitoring, audits, and examinations, and make excerpts, transcripts, and photocopies of such documents.

C. Access to personnel

The right to access also includes timely access to sub-recipient's personnel for the purpose of interview and discussion related to such documents.

D. Monitoring

The monitoring review may be conducted through desk review evaluation, on-site evaluation, or a combination of the two processes. WC will conduct monitoring/oversight of all its sub-recipients and the one-stop operators. The review may include examining program records, specific program requirements and the identification of promising practices and exemplary program models. The reviewer/monitor shall make use of the monitoring guide and the individual record review monitoring tool to conduct an objective system and program review. These tools are intended to be continually reviewed and updated based on experience, practice and changing requirements.

1. The random sample technique will be used to perform the review of program records. Monitoring review entrance and exit conferences will be held with appropriate staff for each review conducted.
2. Monitoring review work paper shall be established prior to the review and maintained by WC.
3. Monitoring/oversight scope review may consist of interviews with appropriate staff, program participants and review of policies, procedures, accounting records, accounting reports, source support documents, and other records as considered necessary pertaining to all of the applicable sub-award including, but not limited to:
 - a) Determination of compliance with provisions of WIOA Title I and its associated regulations;
 - b) Intake and eligibility determination/provision of services/supportive services;
 - c) Fiscal records/cash management/procurement/internal controls/cost principles;
 - d) Compliance with uniform administrative requirements;
 - e) Record retention and/or support documentation;
 - f) Programmatic adult, dislocated worker and youth formula funds;
 - g) Compliance with the nondiscrimination, disability, and equal opportunity requirements of Sec. 188 of WIOA;
 - h) Program participant files and/or individual record reviews;
 - i) On-the-job training programs/individual training accounts;
 - j) Customized training (CT) program(s) ;
 - k) Work experience;
 - l) Management information system (MIS);
 - m) Data validation and cross match;
 - n) One-Stop Career Center, customer flow, referral process;
 - o) System integration, partnerships.

E. Findings of Noncompliance

1. If, as a result of compliance and performance monitoring or otherwise, WC has determined that non-compliance and/or a violation of provisions of the Federal, State, local regulations, or sub-award agreement exists, WC will require corrective action(s) to secure prompt compliance.
2. If as a result of Federal, State or WC monitoring any costs are found to be disallowed, the sub-recipient will be notified in writing about WC's determinations with respect to payment options. At all times, payments for disallowed cost shall be made no later than 15 business days from the receipt of WC written notification.

3. Finding Structure

- a) Condition (description of problem).
- b) Criteria (citation).
- c) Questioned costs (when applicable).
- d) Required action (the corrective action).

4. Corrective action requirements

- a) Must be designed to completely correct each finding(s) of non-compliance and/or violation(s).
- b) Must be appropriate and reasonable given the particular finding(s) of non-compliance and/or violation(s).
- c) Must establish a time frame that sets the minimum time necessary to completely correct the violation(s).
- d) Must indicate follow-up procedures to ensure that commitment to take corrective and remedial action is being fulfilled.

F. Failure to Take Corrective Action

If, as a result of compliance and performance monitoring or otherwise, WC has determined that a violation of provisions exists and requested corrective action(s) has not been taken, in alignment with WC Policy Admin-010-02, WC may:

- 1. Provide technical assistance as necessary and appropriate;
- 2. Execute a warning of non-compliance;
- 3. Make a recommendation for reduction of funding;
- 4. Reduce funding;
- 5. Terminate, deny or discontinue financial assistance, in whole or in part.

G. Appeals

- 1. A sub-recipient who is dissatisfied by a WC determination to impose a sanction(s) or corrective action(s) may file a written appeal as indicated in this section.
- 2. Grounds for appeals:
 - a) Findings of non-compliance
 - b) Disallowed costs
- 3. Any sub-recipient interested in filing an appeal must exhaust the remedies provided in this policy prior to seeking additional relief at a different venue.
- 4. A sub-recipient who fails to exhaust the administrative remedies provided in this policy waives its rights to file an appeal.
- 5. Appeals made under this section, with respect to findings of non-compliance, shall be made no later than 30 business days after receipt of monitoring report.
- 6. Appeals made under this section, with respect to disallowed costs, shall be made no later than 10 business days after receipt of final disallowed costs letter from WC.
- 7. The written appeal shall state, with accuracy/precision the following:
 - a) Sub-recipient name, address, contact information;
 - b) The imposed sanction(s) that constitute the basis for the appeal;
 - c) Support documentation to support and/or validate the basis of the appeal; and
 - d) Form of relief requested.
- 8. The written appeal shall be directed to the WC Executive Director.
- 9. WC will issue a determination no later than 30 business days after receipt of the appeal.

VII. Monitoring Timelines

Scheduling for Monitoring Sub-recipients	
Timeline	
On-site review Notice to sub-recipient	At least 15 days prior to the on-site review
On-site review	Conducted on the scheduled date
Entrance conference	Conducted the first day of the on-site review, prior to review start
Exit conference	As determined by the review team
Monitoring report mailed to sub-recipient	30 days after final exit conference is held
Response to monitoring report by sub-recipient (when applicable)	30 days from the date of the report
Review of response submitted by sub-recipient and follow-up	Oversight staff will continue to conduct follow-up until all issues of non-compliance are resolved
Request for corrective action plan extension will be evaluated on a case-by-case basis and must be submitted in writing to Workforce Connections' Fiscal and Program oversight staff.	