Purpose:
This policy provides guidance subrecipient monitoring under Workforce Innovation and Opportunity Act (WIOA) and the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (Uniform Guidance).

Scope:
The information in this policy applies to all subrecipients receiving WIOA funds.

Effective Date:
This policy is effective upon date of issue.

REFERENCES:
- Title 20 CFR 683.410
- 31 U.S. Code section 7502 (f)(2)
- Workforce Investment Act Directive WIAD00-7
- Workforce Innovation and Opportunity Act (WIOA) Section 107(d) Functions of Local Board, paragraph (8) Program Oversight

BACKGROUND:
The Silicon Valley Workforce Investment Network’s (SVWIN) also known as work2future has established an oversight and monitoring process which includes both fiscal and programmatic compliance reviews of all work2future subrecipients through on-site monitoring visits, and ongoing analysis of each subrecipient's performance. These activities are required to fulfill the mandated oversight responsibilities.

The monitoring process serves as a management tool for both the work2future and program operators to provide timely feedback with findings and recommendations.

The process allows managers to understand systemic issues and exposures so improvement measures or corrective actions planning can be developed.

POLICIES AND PROCEDURES:
Contract monitoring is a regular, systematic review of program activities that includes such things as fiscal transactions, procurement standards, and other administrative systems. Additionally, monitoring reviews disclose the strengths and weaknesses of management practices that determine if the
subrecipient has appropriate policies and procedures that assure compliance with the terms of the contract, WIOA law, federal regulations, State WID guidelines and work2future policies and procedures.

work2future staff identifies and analyzes problems found through compliance review and performance review, provide technical assistance during their on-site monitoring visit, issues recommendations for corrective action in their monitoring report and follows-up on the recommendations to ensure that corrective actions occur.

Types of Contract Monitoring

Program monitoring is the process of ensuring that the services contracted for are being carried out, including but not limited to ensuring eligibility of participants; counseling; orientation; preparation for training and placement; and delivery of all services as specified in the contract.

Performance monitoring is the process of ensuring the subrecipient is providing the services and that said services are being provided at the level of quality and in conformance with standards specified in the contract and as required under WIOA regulations.

Compliance monitoring is the process of ensuring that the subrecipient is carrying out terms and conditions of the contract that are administrative in nature and any other requirements frequently described as contract "boilerplate".

Fiscal monitoring is the process of ensuring that the subrecipient has the financial systems in place required by contract terms as well as ensuring that the subrecipient's financial performance is commensurate with program performance.

Scope

The work2future staff shall be responsible for performing the minimum procedures listed below in conducting the monitoring of all subrecipients on an annual basis.

- Review participant files to determine participant eligibility, and pertinent client activity records; program activities and services to participants including review of classroom training, OJT, work experience, supportive services and if necessary, interview participants, instructors, and employers.

- Review actual-versus-plan reviews to assess progress toward goals and objectives, to identify existing and emerging problems and to obtain explanations, or require corrective actions, and/or contract actions as appropriate. The outcomes reviewed include: Entered Employment Rate, Employment Retention Rate, Earnings Change in six months, Credential Rate, for younger youth, Skill Attainment Rate, Diploma or Equivalent Attainment Rate, Retention Rate, and for all participants, Customer Satisfaction.

- Review administrative and management policies and procedures, including those that are required for compliance with Equal Employment Opportunity (EEO) and nondiscrimination reporting requirements and if grievance procedures exist and complaints are resolved in accordance with established procedures.

- Review compliance with established accounting and internal controls, fiscal and procurement policies, and procedures; and examine claims for reimbursements and verify against financial records and other supporting documentation.
See Attachment I, MONITORING INFORMATION CHECKLIST, for a listing of documents/records which may be reviewed during an on-site visit.

**Frequency**

Compliance monitoring is conducted at least once each program year on-site.

Performance monitoring can be conducted monthly through desk review, on-site visits, or combination of both. The quality of this data analysis depends on the capabilities of the subrecipient's management information system to generate timely and accurate reports.

**Technical Assistance**

Technical Assistance is formal or informal training provided to subrecipients independently or in conjunction with monitoring.

**Partnership**

Technical assistance provided by work2future staff is both pro-active and future-oriented to emphasize the partnership that exists between the work2future and its subrecipients.

Technical assistance is usually more effective when it can specifically address subrecipient's needs and if it is provided directly to subrecipient's operational staff. The on-site visits offer a good opportunity for the work2future staff to provide that type of assistance.

**Problem Solving/ Correction**

**Monitoring Report**

A written report must document each on-site monitoring visit. The monitoring reports are official records of work2future staff review of subrecipient's program at a certain point in the period of performance, constitute the basis for future assessment and make the staff's findings available for federal, state and public inspection.

Monitoring reports will be prepared on all on-site visits and when combined with the desk review report, will provide the background of the program, follow-up on previous findings, current findings, (positive or negative), and recommendations (if any) for corrective action with timeline for implementation. Any regular or special review and any technical assistance provided to the subrecipient are also included in the report.

**Monitor's Responsibility**

The monitoring report is issued as promptly as possible to make the information available for timely consideration and action by the management of both the work2future and program operators. If there are significant findings, a copy shall be distributed to the subrecipient corrective actions could be taken.

**Release of Monitoring Report**

The completed monitoring report shall be distributed to the subrecipient. A copy of the completed monitoring report shall be filed in the contract folder or monitoring folder and shall be available for review by federal and state officials.
Retention of Monitoring Report

The copy of the completed monitoring report and other records related to the monitoring activities must be retained for three years from the date of submission by the subrecipient of its final expenditure reports regarding the funding sources being monitored.

However, if any litigation, claim, audit or other action involving the records has been started before the expiration of the three-year period, the records must be retained until completion and resolution of all such actions or until the end of the three-year period, whichever is later.

Corrective Action

Through desk and on-site reviews, the wrok2future staff make recommendations in the monitoring reports for corrective action on identified problem areas.

Problem Identification/ Analysis

Problem areas and other deficient conditions will be analyzed and discussed so that difficulties encountered by subrecipients can be presented with a balanced perspective in the monitoring report.

Since the difficulties/problems are essentially deviations from a usual standards or desired condition, the monitor must explain to the subrecipient what constitutes minimum standards and/or acceptable conditions.

Corrective Action Plan

The type and extent of the problem encountered may require action at more than one level. Action may fit into the following categories:

Technical Assistance or Additional Information: Will be provided when deficient condition is caused by inadequate information or training.

Corrective Action Plan: The subrecipient must implement the recommended corrective action in accordance with the adopted plan and within the timeframe indicated by staff in his /her monitoring report. The implementation will be closely follow-up by staff (1) to determine the overall efficiency and effectiveness of the approach, and (2) to measure progress toward resolving the problem by the due dates for completion of corrective action. The subrecipient is required to respond in writing to staff’s recommendations to acknowledge that the corrective action plan has been implemented.

This may be as simple as a "cease and desist" order. If the problem has resulted from an incorrect practice, ceasing the practice, and substituting a correct procedure will alleviate or resolve the problem.

Follow-Up

As the final step in the monitoring process, staff will follow up on corrective action recommendations as well as on the results of any technical assistance. Staff may also extend the target date for completion of the corrective action if the subrecipient’s request for extension is reasonable and provided justification for such action.

Methodology

Follow-up may be achieved as follows:
Specific: If the corrective action is crucial to the operation of the program or is required immediately to resolve a problem involving questioned costs, it may necessitate a follow-up visit for the sole purpose of ensuring that the correction action has been implemented.

Part of regular Monitoring: If the corrective action is of a less severe nature, it can be followed-up during the next regular monitoring visit.

Desk Review: Oftentimes, implementation of the corrective action by the subrecipient can be verified through a desk review of back-up documentation submitted by the subrecipient in response to a monitoring report.

Eligibility Verification Methodology

In addition to a review of participant eligibility records conducted by staff during the regular on-site monitoring visit, the work2future MIS staff as part of their regular function reviews eligibility of each participant before data entry into the State CALJOBs system.

Participant File Review

Reviewing participant files at intake locations, noting whether the files are complete and internally consistent, and whether the eligibility criteria have been met and sufficiently documented.

Participant Contact

If some back-up documentation is missing, the participant will be contacted for additional necessary evidence. Subrecipient's cooperation may be required to assist staff in obtaining the evidence.

Reporting Procedures

The MIS staff will use an eligibility’ checklist for each case reviewed and a summary report for each funding stream which includes all findings and a recommended corrective action plan for noted deficiencies.

Notification

If a participant is found to be ineligible, the MIS staff will notify the subrecipient for appropriate corrective action.

Protected Personally Identifiable Information (Protected PII)

Reviewing subrecipient policies and procedures and ensuring the protection of PII, sensitive and confidential information. Per Title 2 CFR 200.82, protected PII refers to an individual’s first name or first initial and last name in combination with any one or more types of information, including, but not limited to:

- Social security number
- Passport number
- Credit card numbers
- Clearances
- Bank numbers
- Biometrics
- Date and place of birth
- Mother’s maiden name
• Criminal, medical, and financial records
• Educational transcripts

This does not include PII that is required by law to be disclosed, as described in Title 2 CFR 200.79, Personally Identifiable Information (PII).

ATTACHMENT 1

MONITORING INFORMATION CHECKLIST

This is a listing of documents/records that may be reviewed the work2future staff during the on-site monitoring visit. Please be advised that this listing is not complete and other documents/records may be requested.

A. Administrative Records

1. Staff (whose salaries are charged to the programs) personnel files: including application, W-4, personnel actions, and payroll cards; methods of charging the grant and personnel procedures.
2. Staff job descriptions.
3. Staff time sheets and time allocation.
4. Current listing of Board of Directors/ Advisory Committee/ Governing Board, and minutes of their meetings.
5. Current organizational chart or plan or staff roster.
6. AA/EEO and non-discrimination policy and Grievance procedures.
9. Correspondence.

B. Contract File

1. Contract(s) with modifications.
2. Contract-related correspondence.
3. Subrecipient activity/services record.
4. Monthly Performance Reports.
5. Monitoring Reports on Sub-Subrecipients.

C. Participant File

1. Personnel files; including application, work history, status changes, termination notices, certification of program eligibility, back-up documentation, eligibility verification, W-4, and termination forms if any.
2. Time and attendance reports and payroll records/cards.
3. Support Services or Need-based Payment records.
5. Employability plan and Training Service Plan.
7. Job referral logs.
8. Post-termination (30, 90 day) follow-up records.
9. Worksite or OJT monitoring reports.
D. Fiscal Records

1. Program income reports.
2. Property control records.
4. Accrual basis accounting- accounts payable journal, purchase journal, and all of item (3) above except accrual worksheets.
5. Copies of monthly financial reports, requests for reimbursement, and/or requests for advances submitted.
6. Invoices and/or other documentation supporting non-payroll cost charges to program, e.g. vendor invoices, travel reimbursements, mileage records, and petty cash.
7. Payroll tax returns, state unemployment insurance forms, worker's compensation form, and state tax withholding form.
8. Property control records.
9. Cancelled checks file, check register, bank statements and reconciliation.
10. Vendor file (vendor terms, correspondence).
11. Lease/Rental Agreements.
12. Cost Allocation Plan or Documents on Indirect Cost Rate.
13. Insurance policies, Fidelity Bond, and related correspondence.
14. If Accounting Services used. Accountant must be present at site during the visit.

NOTE:

For those subrecipients that operate only fixed-unit price contract(s) the items listed in Part D (Fiscal Records) from #3 through #14 are not applicable. Staff will review other documentation supporting benchmark payments, e.g. client's attendance records, competency attainment/ employment certification to verify subrecipient's billing invoices and validate payments or cash advances.

ACTION:

Bring this directive to the attention of all appropriate staff and subrecipients.

INQUIRIES:

If you require further information regarding this policy, please contact the work2future Finance Manager at (408) 794-1146.