

<u>Policy # 27</u>	
SUBJECT:	Monitoring and Corrective Action Plan Policy
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SUMMARY:

This policy establishes the process by which compliance, monitoring, and oversight is handled of its federal, state, and locally funded subrecipients and contractors, including those funded under the Workforce Innovation and Opportunity Act (WIOA).

Federal guidance and WIOA requires accountability at all levels of the workforce investment system. Monitoring is a process used to measure progress, identify areas of compliance, offer opportunities for technical assistance to help resolve non-compliance issues, and ensure that funds are used responsibly. Requirements for the monitoring and oversight of workforce programs are outlined in the Code of Federal Regulations (CFR) and Uniform Guidance, as well as in the WIOA Final Regulations. These provisions require that all recipients and subrecipients of federal funds must conduct regular oversight and monitoring to ensure compliance with applicable federal requirements and performance expectations.

POLICY:

Each recipient and subrecipient of Federal, State and Local funds, including WIOA Title I, are required to conduct regular oversight and monitoring of its workforce programs and those of its subrecipients and contractors to:

- Determine that expenditures have been made against the proper cost categories and within the cost limitations specified in WIOA and the regulations;
- Determine whether there is compliance with other provisions of WIOA, the WIOA regulations, and other applicable laws and regulations;
- Assure compliance with 2 CFR Part 200 regarding federal fiscal and administrative requirements;
- Ensure recipients and subrecipients of WIOA Title I funding have an internal control structure and written policies in place that provide safeguards to protect personally identifiable information (PII), records, contracts, grant funds, equipment, sensitive information, tangible items, and other sensitive information, as well as protect against real or perceived conflicts of interest; and

- Determine compliance with the nondiscrimination, disability, and equal opportunity requirements of Section 188 of WIOA, including the Assistive Technology Act (ADA) of 1998 (29 USC 3003).

The Workforce Development Board of Kanawha County (WDBKC) is committed to fostering a continuous improvement culture through transparency and collaboration that supports the success and accountability of funded activities, subrecipients, and contractors in maintaining compliance with applicable laws, rules, and guidance. Continuous monitoring supports the early identification and rapid resolution of issues before they become entrenched or expand in scope. Monitors will use available information sources to assess risk for non-compliance or low performance, as well as identify trends that may indicate a need to develop and deliver technical assistance and training to address challenges. Continuous monitoring activities may include performance data review provided through the state's Management Information System (MIS), the Mid-Atlantic Career Consortium (MACC); fiscal data review, such as drawdowns, single audit report, invoices; and qualitative data review, information provided from partners, case notes, etc.

Formal and informal monitoring activities ensure:

- Programs and contractors achieve intended results and quality services;
- Technical assistance is provided on compliance as needed or requested;
- Identification of system-wide issues that require policy or program review and resolution;
- Identification of positive practices and sharing of those practices with others in the workforce development system;
- Impact assessment of workforce programs for customers being served in Region III and that
- Resources are efficiently and effectively used for authorized purposes and are protected from waste, fraud, and abuse.

The WDBKC will conduct programmatic, fiscal, and administrative compliance monitoring at least annually. Subrecipients and contractors are required to permit WDBKC, DOL, WFWV or other authorized representatives to have access to records, financial statements, facilities, and participants.

Program Monitoring

The WDBKC will examine program participant files to:

- Ensure only eligible participants are enrolled and applicable eligibility documentation is collected and properly recorded;
- Ensure proper maintenance and content of participant records to include data validation requirements;
- Ensure required forms are being used in all files for consistency and completeness of staff entered data
- Confirm appropriate and adequate case notes are documented ensuring continuity of services from time of application through completion of services;
- Verify all relevant participant data and services have been recorded accurately and timely into

MACC

- Confirm compliance with the ADA and nondiscrimination and equal opportunity provisions of WIOA and other federal and state nondiscrimination laws;
- Ensure implementation of contractual service delivery model and performance; and
- Ensure that appropriate grant and program management policies and procedures as defined by WIOA are in place.

In addition, the WDB will conduct annual monitoring of Eligible Training Providers (ETP) and On-the-Job Training (OJT) providers utilized to validate participants' data, ensure WIOA services were received as claimed by subrecipient, and verify compliance with ADA and nondiscrimination and equal opportunity requirements.

One-Stop Operator and American Job Center (AJC) Monitoring

The WDBKC will examine the AJC facilities, activities and records to:

- Ensure the one-stop operator's compliance with the requirements of WIOA, the activities per the SOW, performance reporting requirements, and the terms and conditions of the contract or agreement governing the one-stop operator;
- Facility compliance, including compliance with WIOA guidelines, ADA, and nondiscrimination laws and regulations; and
- Compliance with AJC Memorandum of Understanding and Infrastructure Funding Agreement regulations.

Fiscal and Administrative Monitoring

The WDBKC will examine administrative and financial management records to:

- Verify accurate, current, and complete disclosure of the financial results of each award or program in accordance with reporting requirements.
- Ensure records contain information pertaining to federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest and are supported by source documentation;
- Ensure internal controls are in compliance with federal, state, and local laws and regulations, including budgeting, cost allocation, accounting and payables, financial reporting, information systems, travel, cash management, procurement and purchasing, property management, personnel and payroll, participant related payments, adequate separation of duties, and contracting and leasing;
- Ensure that the procurement, receipt, and payment for goods and services received complies with federal and state laws, regulations, and subrecipient policies, as well as the provisions of contractors' contracts;
- Confirm all WIOA-funded activities are reasonable, allowable, and necessary and that contract

- charges are allocated properly to appropriate cost categories;
- Verify effective control over, and accountability for, all assets and assure that they are used solely for authorized purposes; and
 - Ensure appropriate financial and administrative policies and procedures are in place.

COMPLIANCE MONITORING REVIEW PROCESS:

The WDB is required to conduct on-site fiscal and programmatic monitoring of all subrecipients at least annually. Monitoring of subrecipients and the American Job Center's shall follow the subsequent standardized review methodology.

The compliance monitoring review process includes the following steps:

Notification of Monitoring

The subrecipient or AJC/WIOA Title I program shall be notified and confirmed in writing of the scheduled monitoring/review visit at least four (4) weeks prior to the date of the visit. The formal notification letter shall include the following information:

- Date and duration of the review,
- Place of review,
- Areas and materials to be reviewed,
- Documents to be completed and returned to monitoring team prior to visit with a return due date.

Desk Review

Upon receipt of the preliminary information and prior to the onsite compliance monitoring review, the WDBKC will conduct a desk review. The desk review will help identify potential items to be addressed during the onsite compliance monitoring review.

The desk review may consist of the following:

1. Contract Terms and Conditions
2. Statement of Work
3. Review of Prior Monitoring Reports
4. Current Financial Data and Program Performance
5. Memorandum of Understanding
6. In-Kind Contributions
7. Organizational policies and procedures for administrative and program administration, procurement, and nondiscrimination and equal opportunity
8. Procurement Practices

Onsite Compliance Monitoring Review

The on-site review will follow a standardized process designed to assist the monitoring team in accomplishing a comprehensive evaluation. The process will include:

- Entrance Conference – To include an introduction of colleagues who may be participating in the monitoring review and give an overview of the scope of the review, as well as discuss any follow-up issues from past monitoring reviews.
- Facility Review – To include observation of the facility and activities provided to assess the adequacy as it relates to the accessibility of the site, activities, and programs by persons with disabilities, compliance with Americans with Disabilities Act (ADA), and determine if the center is a safe environment for customers and staff.
- Review of Onsite Records – To include validation of information obtained from desk review, participant files, review of how PII is protected, and review of internal controls.
- Potential Interviews – May include interviews with customers and/or employers to obtain information on the quality of services provided; may include interviews with randomly selected staff at various levels to obtain information on the administration and operations, verify knowledge of policies and procedures, etc.
- Exit Conference – During the exit conference, the monitor will disclose all issues that may be included in the draft report as their promising/best practices, potential findings, or concerns.

Draft Monitoring Report

The WDBKC will issue a draft monitoring report to the program or subrecipient within thirty (30) days after the exit conference. Noncompliance issues, as well as concerns that may be potential noncompliance issues, will be documented in the draft monitoring report. The draft monitoring report will identify any specific findings and provide a time period of thirty (30) calendar days to address the corrective action. Areas of review outlined in the monitoring report will include:

- Summary of the monitoring process
- Summary of fiscal management, program management and condition of facilities
- Review of previous monitoring findings, as appropriate
- Any findings that specify area of noncompliance, accompanied by a citation of the applicable federal, state, or local law, regulation, or policy, as well as a recommendation for corrective action
- Any concerns regarding observed conditions that could become areas of noncompliance or poor performance, accompanied by a suggestion for the program administrator's consideration to address concerns
- Any promising or best practices identified
- Monitoring disclaimer to include that the monitoring is based on a sample and should not be considered a comprehensive assessment of the program
- An attestation by the monitoring entity that it has examined compliance with the requirements of WIOA, the Uniform Guidance at 2 CFR part 200 and 2 CFR part 2900, and the terms and conditions of the contract.

If the results of a monitoring review disclose no areas of noncompliance and no concerns regarding observed conditions that could become areas of noncompliance or poor program performance, the WDBKC may issue a final report instead of a draft monitoring report.

Opportunity for Response

The subrecipient or program has three options in responding to the draft monitoring report:

1. If no areas of findings or concerns are identified in the monitoring report, no subrecipient response is required.
2. If the subrecipient agrees with the finding(s) or concern(s), the subrecipient should respond with the proposed corrective action plan to resolve any findings, including the identification of the major tasks involved and the appropriate timelines for their implementation.
3. If the subrecipient or contractor disagrees with the recommendation(s), the subrecipient or program may provide information or documentation to substantiate the finding(s) or area(s) of concern in disagreement.

The program or subrecipient may request technical assistance in developing a corrective action plan to resolve any findings.

Final Report

The WDBKC will issue a final monitoring report to the subrecipient within thirty (30) working days after the receipt of the response to the draft report. The final report will differentiate:

- Findings that are resolved and closed
- Findings that are resolved and remain open until the WDB monitor can verify, during a future on-site monitoring visit, that the subrecipient has successfully implemented the corrective action plan as stated in their response.
- Findings that are not resolved, which may require the subrecipient to provide the WDB additional documentation and/or a corrective action plan.

Monitoring Follow-up

Depending on the nature of the monitoring results, the WDBKC may conduct a follow-up review to assess the progress made by the subrecipient or contractor resolving the identified areas of noncompliance. A follow-up review may consist of the following activities:

- Desk Review – if the monitoring finding can be addressed through the submission of documentation, follow-up may be achieved through verification of back-up documentation submitted by subrecipient or program in response to a monitoring report finding.
- Off-Cycle Visit – if a corrective action is crucial to the operation of the program or requires immediate attention to resolve a problem involving questioned costs, a follow-up visit may be scheduled to confirm that corrective action has been implemented.
- Review in Next Regular Monitoring – if the corrective actions will require more time to implement or is of a less severe nature, the action will be followed up during the next regular monitoring visit.

CORRECTIVE ACTION PROCESS

Providers found to be non-compliant may be required to submit a Corrective Action Plan (CAP) by the Corrective Action and Termination clause of their contract. The CAP may be required when the provider is found not to be compliant with the contract performance benchmarks or when other monitoring functions and services are deficient. If gaps or deficiencies are found during the monitoring process, the monitoring report will include recommendations to address the identified problem areas. The type and extent of the issues identified will dictate the required corrective action. Recommended actions may include:

- Technical Assistance: WDBKC will recommend the provision of technical assistance or additional guidance when a deficient condition is caused by inadequate information or training.
- Procedural Changes: WDBKC will submit appropriate recommendations for procedural changes to result in acceptable performance.

CORRECTIVE ACTION IMPLEMENTATION

Service Providers must implement the recommended corrective action within the timeframe indicated in the approved CAP. The implementation will be closely tracked to determine the overall efficiency and effectiveness of the approach, and to measure progress towards resolving the deficiency. Service Providers are required to respond in writing to WDBKC's recommendations to acknowledge that the corrective action plan is being implemented.

Impact

De-funding is a possible ultimate sanction for Service providers that are out of compliance with the WIOA grant and contract conditions. De-funding and termination of a contract requires that the Service Provider be given appropriate notice and an opportunity to fix the breach.