

NORTH CENTRAL COUNTIES CONSORTIUM MONITORING PROCEDURE

Purpose

To establish Workforce Investment Area procedures for the monitoring of subgrant agreements funded with Workforce Investment Act monies and in accordance with the general standards of the Workforce Investment Board oversight responsibilities.

Background

The WIA Section 117(d)(4) requires that the local WIB, in partnership with the local elected official (LEO), shall conduct oversight of the WIA programs and the One-Stop delivery system in the local area.

The WIA Section 184(a)(2)(A) requires that each state and local area (including the LEO for the area), and provider receiving funds under Title I shall comply with the applicable uniform cost principle included in the appropriate OMB circulars for the type of entity receiving the funds. Section 1849(a)(3)(A) requires that each State and local area including the CEO for the area), and provider receiving funds under Title I shall comply with the appropriate uniform administrative requirements for grants and agreements applicable for the type of entity receiving the funds, as promulgated in OMB circulars or rules.

Title 20 CFR Section 667.200 sets forth the general fiscal and administrative rules applicable to the use of WIA Title I funds. It stipulates that entities receiving WIA Title I funds must follow the uniform administrative cost requirements in Title 29 CFR Part 95 or Part 97, as applicable to their type of organization. For non-profit organizations, the applicable requirements are at Title 29 CFR Part 97. Title 29 CFR Parts 95 and 97 may be accessed at <http://www.edd.ca.gov/wiarico.htm>. Section 667.200 further identifies applicable OMB circulars regarding allowable costs for various types of organizations. Allowable costs for state and local governments must be determined under OMB Circular A-87. The OMB circulars may be accessed at <http://www.whitehouse.gov/omb/>.

Title 20 CFR Section 667.400(c)(1) requires that subrecipients must continuously monitor grant-supported activities in accordance with the uniform administrative requirements at Title 29 CFR Parts 95 and 97, as applicable. Title 20 CFR Section 667.410(a) requires that each subrecipient must conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors. The purpose of this requirement is to ensure that expenditures meet the cost category and cost limitation requirements of WIA and the regulations, that there is compliance with other provisions of WIA and the regulations and other applicable laws and regulations, and to provide technical assistance as needed.

The OMB Circular A-133 requires subrecipients to ensure that the procurement, receipt, and payment for goods and services received from vendors comply with laws, regulations, and

the provisions of vendors' contracts and agreements. The WIA Directive WIAD00-2 provides combined state and federal guidance regarding the procurements of goods and services.

The WIA Directive WIAD01-21 provides guidance regarding nondiscrimination in contracts, job training plans, and policies and procedures.

Title 20 CFR Section 667.410(f)(6) states that the Governor may issue additional requirements and instructions to subrecipients regarding monitoring activities.

References

- WIA Directive WIAD00-7, Subject: Standards for Oversight and Instructions for Substate Monitoring
- WIA Sections 117(d)(4), 1849a(2)(A), 1849a(3)(A), and 184(a)(5)(A)
- Title 20 CFR Sections 667.400(c)(1), 667.40(a), and 667.410(f)(6)
- Title 20 CFR Part 645.245 and 645.425
- Title 29 CFR Parts 95 and 97
- OMB Circular A-87, Cost Principles for State and Local Governments
- OMB Circular A-133, Audits of States and Local Governments
- WIA Directive WIAD00-2, Subject: Procurement
- WIA Directive WIAD01-21, Subject: Nondiscrimination and Equal Opportunity Procedures

PROCEDURE

I. Standards for WIB Oversight

The WIB, in partnership with the LEO, shall oversee activities funded under WIA Title I, conducted under the local plan established pursuant to WIA Section 118. In addition, the WIB, in partnership with the LEO, shall oversee activities of the One-Stop delivery system established pursuant to WIA Section 121. The monitoring and oversight must be consistent with the requirements stated in WIA and its associated regulations, as well as other relevant regulations and OMB Circulars (see background). The WIB and LEO have delegated oversight to the administrative entity. The oversight shall include the following:

- A. As required by WIA Directive WIAD00-2 the LWIA "shall maintain an administrative system which ensures that payment for goods and services received from vendors and subrecipients, including on-the-job training employers, are in accordance with laws, regulations, and the provisions of contracts or agreements (OMB Circular A-133). "

- B. The administrative entity must conduct on-site monitoring visits to all of its subrecipients twice each program year.
- C. The onsite review of each subrecipient is both fiscal and programmatic, consistent with the requirements stated in Title 20 CFR Sections 667.400(c)(1) and 667.410(a) and 20 CFR Section 645.245.
- D. Programs and activities conducted in the Workforce Investment Area must be operated in compliance with WIA and all applicable federal, state, and local laws and regulations.
- E. All WIA funded service provider contracts must be for allowable activities, contract charges must be allocated to appropriate cost categories, and proper fiscal records must be maintained.
- F. Programs and activities must be effective in meeting the goals established in the five year local plan.
- G. The training and work environment must be safe for participants and staff members.
- H. The administrative entity must establish and operate appropriate and effective systems that comply with the nondiscrimination and equal opportunity provisions of WIA and other federal and state nondiscrimination laws.

II. Monitoring Process

The monitoring process is intended to promote a greater understanding by all parties involved in the procedures used in conducting monitoring reviews, promote clarity of communication and efficiency in completing reviews.

A. Monitoring Schedule

- 1. A schedule of monitoring visits will be provided to service providers. This schedule will ensure that each service provider is monitored twice during each program year.
- 2. At least one of the on-site monitoring reviews will be a fiscal review.

B. Notice of Selection for Review

- 1. Service providers will be notified prior to their scheduled monitoring review as soon as practicable and will be provided with the monitoring guide so they may be fully informed as to the scope and depth of the review.

2. Notification of monitoring reviews will include identification of what subject areas are to be reviewed, whether participant or employer interviews will be required, and what kinds of files and sample documentation will be needed. Notification will also include the anticipated duration of the review and the length of any visits.

C. Entrance Conferences

The assigned monitor will participate in an entrance conference with the Service Provider Director or their designee. The entrance conference will accomplish the following:

1. The monitor will provide information on the names of all monitors who will be on-site, a description of the scope of the review, notification of which areas will be reviewed and the expected review time table.
2. The Service Provider Director will designate staff responsible for the selected review areas, to act as contact persons for the monitors.
3. The contact persons for the monitors will establish a schedule of appointments (if necessary) for the assigned monitor.

D. On-Site Review Process

1. To the extent possible, the monitor will secure and review monitoring reports for prior findings and completed corrective actions.
2. During monitoring reviews, the monitor will notify a designated service provider contact person if he or she sees an issue that could be cited in a report. The service provider will have the opportunity to perform corrections on-site during the review. If such corrections are acceptable to the monitor, the issue may appear in the report with the notation that corrective action has been taken and that further corrective action is not necessary.
3. No original documents may be removed from the service provider offices unless approved by the Service Provider Director or by legal authorization. However, the monitor may obtain copies of original documents for purposes of any review.

E. Exit Conferences

1. At the completion of the fieldwork, the monitor will hold an exit conference with the Service Provider Director or their designee.

2. During the exit conference, the monitor will disclose all findings that they intend to reference in the report. If, after the exit conference, the monitor adds additional findings or substantially revises any finding, the Service Provider Director will be notified before the publication of the report. If the additional findings or revisions are significant in the judgement of the Service Provider Director, they can request a second exit conference to discuss the new items.
3. The monitor will always cite the applicable WIA law, regulations, or policy that applies to any finding.
4. The monitor will provide full information on the procedures for responding to the report and will describe the appeal procedure (if applicable).

F. Monitoring Report

1. The monitor will issue a report to the service provider within 30 days after the exit conference and will request a response within 15 working days of the date of the report. The monitoring report will clearly differentiate the following two areas:
 - a. Recommendations or suggestions which are based on the monitor's experience in reviewing the subject area; and,
 - b. corrective actions that monitors determine to be required by WIA and its regulations and policies.
2. The monitor will ensure that technical assistance is afforded to the service provider in order to assist the service provider in developing corrective action to resolve the findings.

G. Service Provider Response to the Monitoring Report

The service provider response to monitoring reports may include:

1. A statement agreeing or disagreeing with the monitor's factual statements which led to the findings;
2. The proposed corrective action(s) to resolve the cited findings, including the identification of the major tasks involved and the appropriate timelines for their implementation; and,
3. The service provider's interpretation of any issue and any additional information that may help to resolve the findings.

H. Resolution of Monitoring Findings

1. Staff of NCCC will work with the service provider to secure acceptable corrective action for each finding. NCCC staff will develop procedures to be used in assisting service providers to resolve findings.
2. Within 15 working days of the date of the monitoring report, the service provider must submit to the monitor, a Corrective Action Plan (CAP) describing all major tasks or activities that are planned to correct problems. The CAP must include appropriate schedules for implementation of the corrective action. NCCC staff will meet with service providers, as needed, to ensure resolution of the findings. The monitor will ensure that the CAP adequately resolves the findings.
3. Within 10 working days the monitor will either notify in writing to the Service Provider Director that the CAP is either satisfactory or unsatisfactory as submitted. If no CAP was received by the deadline or if the monitor determines that the CAP is unsatisfactory (does not appear to adequately address outstanding findings in a timely manner), the monitor will notify the Service Provider Director that a satisfactory CAP is due within 10 working days.

If no CAP has been received after an additional 10 working days have elapsed, the monitor will notify the Workforce Investment Board Chair in writing of these circumstances and will request immediate action. If appropriate action is not taken within the next 10 working days, the monitor will notify the local elected official that an approved CAP has not been submitted.

4. Except as agreed to by the monitor in advance, the service provider is required to close any finding within 60 working days following receipt of the report. The monitor will provide written notice regarding closed findings or completed corrective action.
5. The Service Provider Director may initiate a request for the NCCC to negotiate a resolution of any finding involving questioned or disallowed costs. Informal resolution will involve accepted audit resolution procedures that include:
 - a. Identifying and clarifying all pertinent issues related to a specific finding;
 - b. Identifying acceptable records or documentation required;

- c. Negotiating non-cash settlements for payment where permissible; and
 - d. Negotiating an incremental payment schedule if cash payments are required.
- 6. Cash reimbursements will be processed within normal debt collection procedures.
- 7. Provide for the appropriate retention of monitoring reports and related documentation per Record Retention Procedure 06.