

**SOUTHWESTERN AREA  
WORKFORCE DEVELOPMENT BOARD**

**OVERSIGHT & MONITORING  
POLICY 17-01**

**DATE OF ISSUE**

June 29, 2017

**EFFECTIVE DATE**

July 1, 2017

**APPLICABILITY**

WIOA Adults, Dislocated Workers, and Youth

**PURPOSE**

This policy sets forth requirements for oversight and monitoring of all Service Provider entities receiving Workforce Innovation & Opportunity Act (WIOA)

**BACKGROUND**

WIOA requires that the local Board shall conduct oversight with respect to local program of youth activities local adult and dislocated worker employment and training activities and the One Stop delivery system in the local area.

WIOA further requires each Board under WIOA Title 1 to conduct regular oversight and monitoring of its WIOA activities conducted by its Service Providers/Contractors in order to:

- A. Determine that expenditures have been made against the cost categories and within the cost limitations specified in the Federal Regulations;
- B. Determine whether or not there is compliance with uniform administrative requirements as applicable and other provisions of the Act; Federal Regulations' State Regulation; SAWDB policy and guidelines; and other applicable laws and regulations; and

Provide training and technical assistance as necessary and appropriate.

**ACTION**

Southwestern Workforce Development Board, One Stop Providers, and Youth Providers will adopt this Oversight and Monitoring Policy and forms referenced herein.

**SCOPE**

The following systems or areas of Service Provider/Contractor operations are included within the scope of the on-sight monitoring reviews as appropriate:

**Program monitoring activities**

- A. Administrative procedures;
- B. Grievance procedures;
- C. EEO procedures;
- D. Adherence with the provisions of the Americans with Disabilities Act;
- E. Procurement;
- F. Property management;
- G. Fiscal accountability;
- H. An examination of actual expenditures against the cost categories and cost limitations;
- I. Audit resolution;
- J. Program goals and objectives;
- K. Assessment;
- L. Eligibility verification as applicable;
- M. Monitoring functions;
- N. Program performance (actual versus planned);
- O. Programmatic areas such as ITAs OJT, WE, basic skills training or other customized training and activities;
- P. Service Providers self-monitoring activities; and

Q. Other areas as necessary.

The local Board will conduct annual onsite fiscal monitoring activities to ensure that grant funds and other assets are adequately safeguarded and that their use is in compliance with federal, state, local requirements, and the circulars or rules of the office of management and budget. Processes and procedures used to determine sub-recipient and contract service provider performance are included within the scope of on-sight monitoring reviews as appropriate:

**Fiscal monitoring activities**

- A. Accounting and reporting systems;
- B. Budget Methodologies;
- C. Cash management practices;
- D. Cost allocation plans and processes;
- E. Cash disbursement compliance and documentation;
- F. Program income identification and reporting;
- G. Insurance coverage and risk exposure;
- H. Oversight and monitoring functions;
- I. Payroll administration;
- J. Purchasing and procurement processes and procedures;
- K. Property accountability and safeguarding;
- L. Internal controls; and
- M. Other areas as necessary.

**BACKGROUND**

To ensure compliance with the Act and Federal Regulations, the SAWDB shall annually ensure a review of each contract during the Program Year is being conducted. Desk reviews will be conducted periodically.

**PROCEDURE**

**Schedule**

A monitoring schedule will be set and updated as required after it is set. The schedule will list, at a minimum, Service Provider/Contractor names and

address, contract number & planned date(s) of review.

**REVIEW NOTIFICATION**

The SAWDB will provide advance notification to each of its Service Providers/Contractors prior to any on-site review (preferably two weeks in advance of an on-site review).

**MONITORING INSTRUMENT/QUESTIONNAIRE**

The SAWDB monitoring instrument/questionnaire will be completed for each on-site visit. Procedures at this level will include performance reviews to ensure that performance and customer data will be collected and analyzed for all program activities included, but not limited to:

- A. Administrative,
- B. General compliance, and
- C. Programmatic

**ON-SITE REVIEW PROCESS**

An on-site review is conducted consisting of:

- A. An Entrance Conference to brief Service Provider/Contractor administrators/staff on the scope of the review and to make appropriate arrangements;
- B. A review of administrative, and programmatic systems and transactions;
- C. Performance of test work, based on a review and examination of WIOA records and/ or interviews, to determine if adequate internal controls and procedures are in place; and
- D. An Exit Conference to apprise Service Provider/Contractor officials of probable Findings and Areas of Concern.

**DESK REVIEWS**

Desk reviews of the participant files on New Mexico Workforce Connection Center Online System (NMWCCOS) will be done from the AE office prior to the onsite visit. All activities and documents uploaded will be reviewed.

**DOCUMENTATION**

### **Findings and Areas of Concern**

After each review, all findings will be documented in writing and will include a description of the specific non-compliance of federal or State laws, policies, regulations, and/or Grant Agreement. The detailed written report will note Finding and specify the Act, policy, regulation or contractual provision resulting in the finding. Areas of Concern will include recommended corrective action to be taken.

### **WORKING FILE**

During the on-site review, a working file will be maintained. The working file will be in an organized manner, contain documentation of the tests performed and all Findings that will be documented in the report. It will also contain other documentation as deemed appropriate to substantiate that monitoring has occurred. Organization of the file may be by systems reviewed, actual test work performed, or any other method deemed appropriate.

### **FORMAL MONITORING REPORT**

After each review, a monitoring report will be prepared within 30 days from the date of the Exit Conference detailing Findings and requiring the appropriate corrective action, or to indicate that there are no Findings. Areas of concern should also be indicated and recommending corrective action to be taken. The following elements will be included in the monitoring report:

- A. An identification of all members who participated in the monitoring;
- B. The dates of the review, program area(s), customers and service area(s) covered in the review;
- C. A sequential listing of Findings and Areas of Concern, if applicable. Where Findings are noted, each Finding shall consist of an objective narrative description of a non-compliance of federal or State law, SAWDB policy, regulation, and /or Grant Agreement; and
- D. Each Finding and/or Area of Concern is to be followed by a corrective action which sets forth the most appropriate action to address any deficiency or non-compliance noted to include

a specific time line for the corrective action to be completed.

### **DOCUMENTATION**

#### **Findings**

After each review, all Findings will be documented in writing and will include a description of the specific non-compliance of federal or State laws, policies, and/or Grant Agreement. The detailed report will note Finding and specify the statute, regulation, policy, or grant agreement that has been noted as non-compliant. Each Finding will have a corresponding Required Action that identifies what action must be taken or documentation provided in order for a Finding to be resolved.

#### **AREAS OF CONCERN**

Areas of Concern are issues, policies, or practices observed during the review that is negatively impacting effective contract management or provision of services to participants. They may also be areas that, if not corrected, could lead to an area of non-compliance in future monitoring reviews. Each Area of Concern should have a corresponding recommendation for improving the issue/practice. Service Providers/Contractors are encouraged to implement the suggested action for improving/resolving the Area of concern issue/practice. If during the review, outcomes observed are sufficiently effective or innovative to warrant "highlighting" in the report, they can be shared with other sub-recipients and contract service providers.

#### **CORRECTIVE ACTION**

The Monitoring report will be forwarded to the monitored Service Provider via a transmittal letter requiring a written response from the Service Providers/Contractors within 30 working days from the day of report. The Service Provider monitored will be required to identify specific corrective action measures to be implemented for each Finding and/or Areas of Concern identified.

Upon receipt of the monitored Service Provider's corrective action plan (CAP), the SAWDB monitor(s) will review the response and in writing comment on

the acceptability of the proposed corrective action. If the corrective action is deemed acceptable, the Finding is resolved. If the CAP or any part thereof is unacceptable, additional corrective action is required. The Finding and/or Area of Concern will remain unresolved until accepted.

#### **FOLLOW-UP MONITORING AND VERIFICATION OF CORRECTIVE ACTION**

Based on the CAP submitted, the SAWDB will institute follow-up monitoring. If follow-up is appropriate, the review will be to determine if the corrective action measures and/or documentation were implemented to resolve the noted Finding.

#### **APPEAL PROCESS**

All final determinations may be appealed pursuant to the process according to §683.420.

#### **ACCESS TO RECORDS**

- A. The local Board, or its authorized representatives, has the right to access any records in a timely manner consisting of books, documents, papers, computer records, emails, or other records or Sub-Recipients and contract service providers that are relevant to the use of any WIOA funds administered by the Board and may also make excerpts, transcripts, and photocopies of documents as appropriate.
- B. Right to access also includes timely access to personnel for interviews and discussions related to reviewed documents.
- C. Right to access is not limited to any required record retention but will last as long as records are retained. Except as otherwise provided, records must be retained for three years from date of exit. If any litigation, claim, negotiation, audit or other actions involving the records has begun before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.
- D. Right to access will also include any service provider that no longer retains their contract, and then the local Board will review all files for any compliance issues. Any compliance issues found will be brought into compliance by that service provider before turning over to the local Board.

#### **PERMANENT MONITORING FILES**

Permanent and official monitoring files will be maintained by the SAWDB. A separate file will be maintained for each on-site visit. At a minimum, the file will contain the following records:

- A. The letter announcing the monitoring visit; when an email is used to announce the monitoring visit, a copy of that email shall be retained;
- B. Completed pre-on-site planning documents;
- C. Completed monitoring instrument/questionnaire(s);
- D. Letter and transmitted Monitoring report to Service Provider/Contractor and, if applicable, requiring a corrective action from the Service Provider/Contractor;
- E. Letter to Service Provider/Contractor accepting/rejecting corrective action; and
- F. Working papers to include actual test work performed and documentation to support finding(s) and/or observations.

#### **DESK MONITORING**

There may be times when a contract is entered into where only a small number of customers (5 or less) are involved in the training. In such cases, it may not be practical or cost effective to conduct an on-site monitoring visit. Therefore, desk monitoring may be used on a limited basis for contracts of this type. The following are the criteria that must be met for desk monitoring to occur:

- A. Contract is for five (5) or less customers;
- B. The total cost of the contract does not exceed \$25,000.00
- C. Adequate documentation is obtained and maintained in the permanent monitoring file to document:
  - 1) Eligibility;
  - 2) Time and/or attendance reports;
  - 3) Progress reports to document that customer has not dropped out;
  - 4) Record of completion of training/credit hours earned/passed;
  - 5) License or certificate;

- 6) Placement and wage information, where applicable;
  - 7) Financial records (e.g. invoices for payments, amount of Pell Grant where applicable; and
  - 8) Adequate documentation to insure accuracy of information.
- D. There are no known problems with the contractor operations that would warrant an on-site visit; and
- E. The SAWDB has determined and documented that determination that desk monitoring is the most practical means of monitoring the contractor.

In all cases, desk monitoring is to be the exception and not the rule.

**SERVICE PROVIDER INTERNAL MONITORING**

All SAWDB Service Providers, per RFP and contract terms, are expected to perform self-monitoring of the customer and fiscal activities undertaken to ensure compliance with the act, CFR's, OMB Circulars, State regulation, SAWDB policies and procedures, and Grant Agreement provisions. Items that should be reviewed include those listed within the Scope to monitoring by the SAWDB earlier identified. The Service Provider should establish and transmit to the SAWDB a monitoring schedule with the first quarter of its contract period; undertake carry-over client file monitoring within the first quarter; undertake newly enrolled clients and fiscal expenditures no later than early in the third quarter of the contract period; prepare and have available for review by the SAWDB

reports regarding the self-monitoring. The majority of all Service Provider internal monitoring should be completed before the fourth quarter. This is to ensure that customer files and/or expenditures associated with them have been resolved, and all contracted activities have been met.

The SAWDB will review the Service Provider internal monitoring reports when it undertakes monitoring of each Service Provider. As a general rule, the SAWDB will undertake monitoring of Service Providers during late second quarter or early third quarter; but each Service Provider will receive notice in advance of any SAWDB monitoring to be undertaken.

**INQUIRIES**

Questions related to this policy may be directed to the Administrative Entity at 575-744-4857.

**ATTESTED**

This policy was reviewed and approved by the SAWDB  
on: \_\_\_\_\_

\_\_\_\_\_  
SAWDB Chairman

\_\_\_\_\_  
Date