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**Effective: April 23, 2024**

**Subject: Local Sub-State Monitoring Plan & Procedures Policy**

**Oversight Responsibilities:**

The South Central Workforce Investment Board (SCWIB), in partnership with the Chief Local Elected Officials (CLEO) is responsible for oversight for local employment and training activities, and the one-stop delivery system in the local area.

SCWIB staff performs the monitoring functions and are identified below. The One-Stop Coordinator may appoint other staff for selected monitoring responsibilities. SCWIB staff maintain a separation of duties and are independent from the duties or systems being monitored. Programs are subcontracted and therefore duties are inherently separated.

**Risk Assessments:**

Prior to issuing or renewing any award under Workforce Innovation and Opportunity Act (WIOA) Title I, SCWIB staff will conduct a risk assessment to assess the subrecipient's overall ability to administer federal funds as required. Risk Assessments will be conducted annually to coincide with contract renewals/extension.

As part of this assessment, the SCWIB must consider the subrecipient's:

1. history with regard to management of other grants;
2. financial stability;
3. quality of management systems and standards;
4. history of performance;
5. timeliness of compliance;
6. conformance to terms and conditions of previous awards;
7. reports and findings from audits; and
8. ability to effectively implement statutory, regulatory, or other requirements.

**One-Stop Operator:**

The Local compliance officer will conduct an annual review of its one-stop operator to ensure compliance with the requirements outlined in 20 CFR 678.620, as well as responsibilities outlined in the current MOU/RFP/Contract. If it is determined that the one-stop operator is not meeting expectations, corrective action will be taken, which can include contract termination.

**Programmatic Monitoring:**

The Local compliance monitor will conduct quarterly Programmatic Monitoring Reviews (PMR) each program year to evaluate federal, state, and local compliance for every funding stream for which the SCWIB has a

contract with Missouri's Office of Workforce Development (OWD). These quarterly reviews will monitor for the requirements set forth in the current subrecipient MOU/RFP/Contract for carrying out programmatic duties.

A combination of state and locally developed monitoring tools will be used to identify and track issues for those records enrolled in the current program year; however, the Compliance Monitor may pull sample records from prior quarters, as needed.

#### *Sample Size*

Sample size will be adjusted upwards, as necessary, based on the results of risk assessments, prior monitoring efforts, performance obligations, and other identified issues.

All Workforce Innovation and Opportunity Act (WIOA) enrollments will be monitored for adherence to WIOA eligibility requirements. If there is an issue with eligibility, subrecipient will be notified immediately.

The Local Compliance Monitor will use random-sampling techniques generated by the reports feature in the electronic statewide case management system to obtain samples. The subrecipient will receive a written word/pdf document restating issues identified on the monitoring tool via email with a clearly stated due date which will be no more than 30 days. Communication to resolve issues may be in-person, email, or via phone.

WIOA Adult and Dislocated Worker records will be combined and then a sample will be generated by service/activity ensuring a statistically valid sample of both funding streams.

A sample of a minimum of three records (if there are less than three records are generated, then all applicable records will be reviewed), will be generated quarterly for the following activities:

1. ABC Enrollments;
2. Classroom Training;
3. On-the-Job Training;
4. Work experience/Internship/Apprenticeship
5. Pre-Vocational, Entrepreneurial, Incumbent Worker
6. Supportive Services/Needs-related payments; and
7. Any other services that result in a direct payment to, or on behalf of, a participant.

\*If no sample is available for the activity/service during the quarter, this will be noted on the monitoring tool.

WIOA In-School (ISY) and Out-of-School Youth (OSY) will be combined into one monitoring tool but will be sampled by each program to ensure both ISY and OSY reviews have a statistically valid sample.

A sample of a minimum of three records (if there are less than three records generated, then all applicable records will be reviewed), will be generated quarterly for the following activities:

1. Work Experiences (each category);
2. Classroom Training;
3. On-the-Job Training;
4. Follow up;
5. Supportive Services and Incentives; and
6. Entrepreneurial.

\*If no sample is available for the activity/service during the quarter, this will be noted on the monitoring tool.

The participant records will be monitored for, at a minimum:

1. Documentation of participant and training eligibility and/or priority for services received;
2. Orientation to services;
3. EO complaint & grievance rights and procedures;
4. Justification for the provision of Individualized Career/Training Service;
5. Method of assessment;
6. Employment planning;
7. Individual Training Accounts & applicable paperwork/documentation;
8. Work Based Learning, including all applicable paperwork/documentation;
9. Appropriateness and accuracy of participant payments;
10. Appropriate data entry;
11. Appropriate and accurate performance reporting requirements;
12. Documentation uploading requirements;
13. Examination of historical change requests;
14. Compliance issues cited in prior federal, State, and local reviews;
15. Determination if prior corrective measures have proven effective;
16. 5% over-income exception; and
17. 5% limit on ISY enrolled with the "Requires additional assistance" barrier.

*Repeat Issues:*

The Local compliance monitor will identify Area(s) of Concern and/or Finding(s) that appear in two or more consecutive annual monitoring reports for the subrecipient and no improvement can be determined.

These issues may result in one or more of the following:

- Areas of Concern that are escalated to Findings;
- Requirement of additional corrective actions;
- Direct notification of specific issues provided to the Chief Elected Official for the LWDA, or other sub-recipient management;
- Implementation of more frequent monitoring of sub-recipient activities;
- Mandatory on-site training or technical assistance (provided by OWD) for subrecipient staff;
- Development of a performance improvement plan;
- Development of a modified local plan; and/or
- Prohibiting the use of eligible providers and one-stop partners who have failed to take appropriate corrective actions.

**Data Element Validation**

The Local compliance monitor will conduct quarterly Data Element Validation (DEV) reviews to ensure the integrity of performance outcomes following the procedures outlined in OWD's most current issuance on DEV. This review is to verify that performance data elements reported by Missouri are valid, accurate, reliable, and comparable across programs. The review is to identify anomalies in the data or missing data, to resolve issues that may cause inaccurate reporting, and to improve program performance accountability through the results of data validation efforts.

**Equal Opportunity Monitoring**

The Local Equal Opportunity (EO) officer will adhere to the EO requirements set forth in OWD's most current Sub-State Monitoring policy including monitoring small service providers (ETPS, OJTs, Work Experience) defined under 29 CFR 38.4(hhh), which includes monitoring the small service provider for adopting and publishing complaint procedures and processing complaints, in accordance with Section 188 of WIOA, 29 CFR Part 38 and the Missouri Nondiscrimination Plan.

The Local EO officer will conduct quarterly monitoring which includes, but is not limited to:

1. 1st Quarter monitoring will include reviewing service provider's websites, facilities, and reviewing policies and procedures.
2. 2nd Quarter monitoring will include a statistical or other quantifiable analysis of employment practices (staffing analysis) records and data kept by the LWDB and service providers in accordance with 29 CFR 38.41.
3. 3rd Quarter monitoring will include a review of any On-the-Job Training Employers, Work Experience Employers, and any special projects compliance with Section 188 of WIOA, 29 CFR 38, and the Missouri Nondiscrimination Plan.
4. 4th Quarter monitoring will include a statistical or quantifiable analysis of the programs, services, and activities offered by the LWDB and service providers.

Each quarter, the Local EO officer will submit complaint logs by the 5th day after each quarter.

An overall report of all EO monitoring reviews will be submitted on June 30th of each program year indicating if the SCWIB and its service providers complied with the EO monitoring requirements and if any corrective actions and sanctions have been enforced.

**Financial Monitoring:**

The SCWIB will conduct an annual Financial Monitoring Review (FMR) of subrecipients to ensure fiscal integrity. Additional reviews may be warranted, based on the evaluations of risk of noncompliance. The FMR will be performed to comply with WIOA section 184(a)(4) [29 U.S.C. 3244(a)(4)], annual OWD agreements, and 2 CFR Part 200 and Part 2900. The FMR is conducted to ensure the adequacy of internal controls and the reliability of the subrecipient's financial management system as they relate to the administrative subaward. The FMR must ensure the subrecipient meets the terms and conditions of the subaward and the fiscal goal or requirements, and that amounts reported are accurate, allowable, supported by documentation, and properly allocated.

The FMR will include, but is not limited to, reviews of the following process:

1. Audit Resolution/Management Decision;
2. Financial Reports;
3. Internal Controls;
4. Source Documentation;
5. Cost Allocation/Indirect Costs;
6. Cash Management; and
7. Procurement.

The SCWUB will incorporate additional financial and programmatic monitoring policies to ensure funds intended to support stand-alone special initiatives/grants are administered in accordance with the contractual scopes of work. These policies are to supplement existing monitoring duties and must be conducted during program operation to ensure accountability and transparency of expenditures.

Local fiscal staff will monitor WIOA Youth for the following requirements:

1. Out-of-School Youth (OSY) percentage expenditure requirement; and
2. 20% work-based learning with educational component requirement.

**Monitoring Reports:**

SCWIB staff will submit annual reports to subrecipient(s) for Financial, Programmatic, One-Stop Operator and EO monitoring each Program Year.

The annual reports will be issued by June 30th of each Program Year.

1. The Report(s) cover page will:
  - a. be addressed to the subrecipient;
  - b. include the date issued;
  - c. include the timeframe of monitoring;
  - d. identify all issues;
  - e. identify any corrective action and required resolutions; and
  - f. include a deadline for the corrective action response.
2. The Report(s) will to be presented at a Board meeting and documented in meeting minutes:
  - a. One-Stop Operator monitoring;
  - b. Programmatic monitoring;
  - c. Financial monitoring;
  - d. Equal Opportunity monitoring;
  - e. Performance reviews monitoring; and
  - f. Special initiatives/grants monitoring.
3. The Report(s ) will include, but are not limited to, adequacy of assessments, planning of activities and services, coordination with One-Stop Delivery System partners to meet the comprehensive needs of customers, and customer outcomes.
4. The regulations implementing WIOA require that when monitoring identifies issues, those issues must be resolved by prompt and appropriate corrective action. Therefore, Report(s) will identify areas of noncompliance and corrective actions taken or required for improvement.
5. The SCWIB staff will review the corrective action response from the subrecipient(s) and will submit a determination of acceptance or alternative corrective action.
6. The SCWIB staff will provide any technical assistance needs identified through monitoring.

**Resolution Process:**

If a Finding remains unresolved and the subrecipient wants to appeal the Board's final decision the process outlined below must be followed:

1. The subrecipient shall initiate contact with the Local compliance monitor to discuss the Finding(s).
2. The subrecipient must notify the SCWIB of the appeal in writing within 30 days of the monitoring report issue date.
3. Notification must include the Finding(s), the reason for the appeal, and documentation to support the appeal.
4. The SCWIB will immediately email to acknowledge receipt of the appeal.
5. The SCWIB will provide a determination to the sub-recipient within 60 days of receipt of the appeal. This response will include the outcome of the appeal and supporting rationale for the decision.
6. If a subrecipient fails to comply with the final determination, the SCWIB will place the subrecipient in substantial violation status. Once in substantial violation status, the subrecipient may appeal pursuant to the most current OWD policy on State Monitoring and Resolution Process.

**Additional Responsibilities:**

The SCWIB staff will ensure business is conducted in an open manner, by making documents available to the public on a regular basis through electronic means and open meetings. The SCWIB must ensure their website contains the following information:

1. Local Plan and modifications;
2. Board members and their affiliations;
3. Selection of one-stop operators;
4. Award of grants or contracts to eligible training providers of workforce investment activities, including providers of youth workforce investment activities;
5. Approved Minutes of formal meetings of the Local WIB; and
6. Board by-laws, consistent with 20 CFR 679.310 (g).

Contact: Please direct comments or questions regarding this policy to [info@scwib.org](mailto:info@scwib.org)