

## **NORTH CENTRAL COUNTIES CONSORTIUM MONITORING PROCEDURE**

### **Purpose**

To establish the NCCC Local Workforce Development Area (WDA) procedure for the monitoring of subgrant agreements funded with Workforce Innovation and Opportunity Act (WIOA) monies and in accordance with the general standards of the Workforce Development Board oversight responsibilities.

### **Background**

The WIOA Section 107(d)(8) requires the Local Board, in partnership with the local Chief Elected Official (CEO), must conduct oversight of the WIOA programs and the America's Job Center of California<sup>SM</sup> (AJCC) system in the Local Area to ensure the appropriate use and management of funds for workplace development activities and to maximize the performance outcomes.

The WIOA Sections 184(a)(2)(A) and 184(a)(3)(A) require that each state and Local Area (including the local CEO) and provider receiving funds under Title I must comply with the applicable uniform cost principles and administrative requirements for grants and agreements applicable for the type of entity receiving the funds, as published in the Office of Management and Budget's Uniform Guidance.

Title 20 CFR Section 683.200 provides the general fiscal and administrative rules applicable to the use of WIOA Title I funds. Entities receiving WIOA Title I funds must follow the uniform administrative cost requirements contained in the Uniform Guidance at Title 2 CFR part 200, including any DOL Exceptions (including agencies and organizational units) at Title 2 CFR part 2900, as applicable to their type of organization. Title 20 CFR Section 683.200 further identifies applicable cost principles at subpart E and appendices III through IX at Uniform Guidance Title 2 CFR part 200 regarding allowable costs.

Title 20 CFR Section 683.400 requires that subrecipients must continuously monitor grant-supported activities in accordance with the uniform administrative requirements at Title 2 CFR part 200 (Uniform Guidance). Title 20 CFR 683.410(a) requires that each recipient and subrecipient must conduct regular oversight and monitoring of its WIOA activities and those of its subrecipients and contractors. The purpose of this requirement is to ensure that expenditures are charged to the appropriate cost category and are within the cost limitation requirements of WIOA and the regulations, Uniform Guidance, and other applicable laws and regulations.

Uniform Guidance Section 200.501(g) requires subrecipients to ensure that the procurement, receipt, and payment for goods and services received comply with federal and state laws, regulations, and subrecipient policies, and the provisions of contractors' contracts and agreements. The WSD17-08, Procurement of Equipment and Related Services, provides guidance regarding the procurement of goods and services. The WSD17-01, Nondiscrimination and Equal Opportunity Procedures, provides guidance regarding nondiscrimination and equal opportunity in contracts, job training plans, and policies and procedures. Title 20 CFR Section 683.410(6) states that the Governor may issue additional requirements and instructions to subrecipients regarding monitoring activities.

## **References**

- WIOA (Public Law 113-128) Sections 107, 108, 129, and 184.
- Title 2, Code of Federal Regulations (CFR) Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- Title 2 CFR Part 2900: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Department of Labor [DOL] Exceptions)
- Title 20 CFR Sections 679.430, 683.200, 683.400, 683.410, and 683.430
- Department of General Services (DGS) State Contracting Manual (January 2018)
- Workforce Services Directive (WSD) 21-03, Eligible Training Provider List (ETPL) Policy and Procedures (November 10, 2021)
- WSD18-16, Guidance on Regional Awards (June 21, 2019)
- WSD17-08, Procurement of Equipment and Related Services (March 14, 2018)
- WSD17-05, Oversight and Monitoring of Nondiscrimination and EO Procedures (August 29, 2017)
- WSD17-01, Nondiscrimination and Equal Opportunity (EO) Procedures (August 1, 2017)
- WSD22-02, Standards for Oversight and Instructions for Substate Monitoring
- Workforce Services Information Notice 20-27, CA ETPL Subsequent Eligibility Review 2020 (November 20, 2020)
- NCCC Policy #03, Procurement

## **Procedure**

### **I. Standards for Local Workforce Development Board (WDB) Oversight**

The WDB, in partnership with the CEO, shall oversee activities funded under WIOA Title I, conducted under the Local Plan established pursuant to WIOA Section 108. In addition, the Local Board, in partnership with the CEO, shall oversee activities of the One Stop delivery system established pursuant to WIOA Section 121. The monitoring and oversight must be consistent with the requirements stated in WIOA and its associated regulations, as well as other relevant regulations and Title 2 CFR Part 200.332 (b). The WDB and CEO have delegated oversight to the administrative entity. The oversight shall include the following:

- A. As required by Uniform Guidance Section 200.501(g), the workforce development area shall ensure that the procurement, receipt, and payment for goods and services received from vendors including on-the-job training employers, are in accordance with laws, regulations, and the provisions of contracts or agreements.
- B. The administrative entity must conduct on-site monitoring visits to all of its subrecipients each program year.
- C. The on-site review of each subrecipient is both fiscal and programmatic consistent with the requirements stated in Title 20 CFR Sections 683.410 (a).
- D. Programs and activities conducted in the Local Workforce Development Area must be operated in compliance with WIOA and all applicable federal, state, and local laws and regulations.
- E. All WIOA 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 WIOA and other federal and state nondiscrimination laws.
- I. NCCC reviews fiscal invoices with supporting documentation monthly prior to reimbursement.
- J. NCCC will expand sample testing during monitoring reviews for high-risk areas (e.g. participant's data/files, procurement, expenditures, etc.) and when exceptions are identified.
- K. A follow-up to the monitoring visit will be conducted when deficiencies have been identified and a corrective action plan is in place to ensure that progress is being made until deficiencies are corrected and not repeated.
- L. Single Audits will not replace oversight and monitoring reviews.

## 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. On-site fiscal and programmatic monitoring of all subrecipients must occur annually and at least once each program year, unless an alternative approach is documented and justified according to uniform guidance. Title 2 CFR 200.332 (b) directs pass-through entities to evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for the purpose of determining the appropriate subrecipient monitoring, which may include consideration of such factors as the following:
  - a. The subrecipient's prior experience.
  - b. The results of previous audit findings.
  - c. Whether the subrecipient has new personnel or new or substantially changed systems.
  - d. The extent and results of Federal awarding agency monitoring.

The evaluation of each subrecipient's risk of noncompliance should be fully documented and readily available upon request.

### 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 subject areas 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. Desk Review Process

1. Prior to the monitoring visit, a Desk Review will be conducted. The Desk Review will consist of a comprehensive review of current program information and reports on file including the subrecipient agreement and any performance information.
2. The Desk Review may include, but is not limited to, a review of fiscal data, previous monitoring reports, performance, expenditures, corrective action, contract information, correspondence, NCCC case management data and the self-reported subrecipient information. The data will be analyzed to determine areas of strengths and weaknesses that will be reviewed in the field during the on-site monitoring visit. Information obtained because of the Desk Review will also assist in focusing and, if necessary, expanding the scope of review in specific areas.

E. 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.

F. Exit Conferences

1. At the completion of the fieldwork, and the monitoring notes, 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 WIOA 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).

G. Monitoring Report

1. The monitor will issue a report to the service provider within 60 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 WIOA 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.

H. 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.

I. 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 Development 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 chief 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.

### **III. Eligible Training Provider Monitoring**

- A. Training providers listed on the State and NCCC's local Eligible Training Provider List (ETPL) will be monitored annually:
  1. Validating participant data for subsequent eligibility review
    - a. Providers not providing sufficient training shall be reported to the ETPL Coordinator
  2. Verification of equal opportunity accessibility