

SOP 16-08
Sub-recipient Monitoring Policy
Standard Operating Procedures
Grow Southwest Indiana Region 11
Approval Date: 05/27/2016

Purpose

To establish policy regarding state and local level fiscal and programmatic monitoring requirements under the Workforce Innovation and Opportunity Act (WIOA); primarily Title I (Adult, Dislocated worker, and Youth).

Rescission

DWD Policy 2007-28, State Level and Sub-Recipient Monitoring Policy

Content

State Level (Interim) Monitoring

DWD, on behalf of the Governor, is responsible for oversight of the programmatic and financial activities of its grant sub-recipients to ensure proper stewardship of federal WIOA funding. DWD must monitor each program, function, and activity to assure compliance with applicable federal requirements and performance expectations. DWD's Regulatory Oversight & Compliance (ROC) Division shall conduct on-site monitoring of each Local Workforce Service Area (LWSA) on an annual basis in compliance with the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the OMB Circular) as adopted by the Department of Labor (DOL). The State must certify this monitoring process to DOL every two years.

The ROC Division shall establish and distribute annual schedule of state level monitoring at the beginning of each Program Year (Initial Schedule). The Initial Schedule, subject to modification, will list Annual On-Site Review (OSR) dates for each LWSA. The ROC Division shall not be limited to the Initial Schedule and may conduct unannounced or unscheduled reviews at its discretion.

For PY 2015, the ROC Division will monitor the LWSA's WIOA Program Year activities-to-date in three major subject areas (Review Areas):

1. Administrative and Financial Management – The Review Area includes, but is not limited to, an evaluation of the LWSA’s Workforce Development Board (WDB) and sub-committees, the WorkOne system, administrative and financial policies and practices, and sub-recipient monitoring and oversight according to applicable federal and state legislation, regulations, policies and guidance, and OMB Circulars and Uniform Guidance. ROC Division staff will conduct this evaluation via document review and sample selection.

2. Workforce Development Programs – The Review Area includes, but is not limited to, an evaluation of the LWSA’s programs and services to eligible participants pursuant to WIOA requirements and related federal and state legislation, regulations, policies, and guidance, and OMB Circulars and Uniform Guidance. ROC Division staff will utilize random electronic sampling to examine Adult, Dislocated Worker, and Youth participant files for proper maintenance and content, inclusion of pertinent forms and date, appropriate and adequate case notes to ensure continuity from time of application through completion of services, as well as verification that all relevant data has been entered into the case management system.
On-site visits to various WorkOne centers within the region and interviews with regional management, staff, and clientele will be conducted to observe operations and gain insight into the WorkOne environment, processes, procedures, and overall customer service efforts and effects. This Review Area will also include an examination of any additional DWD or core partner administered grants and programs active within the region during the monitoring period. ROC Division staff, during their review, will correspond with applicable grant and program management staff to obtain progress and status updates for inclusion in the LWSA’s Comprehensive Monitoring Report.

3. Performance – This Review Area includes, but is not limited to, an examination regarding how the LWSA has performed against applicable performance requirements.

In addition to the Annual OSR, some monitoring activities may be conducted by phone, through desk reviews of documents and reports, and by such other means as deemed necessary by ROC. If a concerning areas or practice is identified at any point, the ROC Division may offer or coordinate technical assistance as needed. Details of additional review and any technical assistance provided shall be logged by appropriate ROC Division or DWD Program staff.

Local Level Monitoring

The WDB, in partnership with the chief elected official for the LWSA, must monitor all service providers and sub-recipients on-site, at least annually, or once during each contract term (for contracts lasting less than one year), for financial and programmatic compliance. The WDB must ensure that the use, management, and investment of funds

for workforce development activities maximize performance outcomes under WIOA Section 116.

Each LWSA must develop and implement a Local Monitoring Policy addressing their sub-recipient oversight and monitoring process and how the local WDB will be engaged in local monitoring and oversight activities. A copy shall be submitted to ROC Division upon request.

In fulfillment of local monitoring requirements, the WDB staff will conduct monitoring of all sub-contractors for financial and programmatic compliance. The WDB staff will be responsible for conducting programmatic monitoring to ensure compliance with WIOA federal, state, and local regulations, and provide technical assistance as necessary and appropriate. The Fiscal Agent will be responsible for the financial monitoring.

Frequency -

All WDB programs will be monitored at least one time per program year by the WDB staff and the Fiscal Agent; contracts providing client services within the WorkOne system will also be annually reviewed by the WDB and the Fiscal Agent.

For WIOA sub-contractors, participant files will be reviewed using both electronic files and hard files (when applicable). A minimum of 10% of all active files will be reviewed. Exited files may be reviewed as well. Site visits will be made to each site at least one time per program year. The sub-contractor will receive an announcement of the site visit via e-mail. The announcement will be sent no less than one week in advance of the site monitoring. Unannounced visits by the WDB staff are permitted; however, sub-contractor staff will not be responsible for absence of a staff person when this situation arises. All monitoring will be completed 60 days prior to the end of any program year.

For sub-contractors, under which a contract will last one year or less, monitoring will be conducted once during the contract period.

Monitoring Procedures -

Monitoring Reviews will be conducted in two parts

1. Monthly Performance Reports to WDB committees
2. Formal Monitoring Reviews

Each month, the WDB staff will prepare a performance report to share with the sub-contractors and the oversight committee of the program's funding source.

As well, the WDB staff will conduct a formal monitoring review for each funding source. The program monitor will review all data in both the electronic and the hard file when applicable. If the customer is enrolled in an ITC, OJT, or work experience, these files will be monitored as well. The data will be reviewed for timeliness and accuracy. Site visits will include an inspection of the building to insure adherence to ADA policies. The

monitor will interview staff and has the option to speak with customers who may be in the building for services.

A written findings report will be sent to the sub-contractors within 30 days of completion of the monitoring. The sub-contractors at a full service site will be given no less than 15 working days to correct or explain the findings and report back to the regional operator. The sub-contractors at an express site will be given no less than 10 working days to correct or explain the findings and report back to the WDB staff. Resolution actions will continue at the direction of the WDB staff until all findings have been resolved to the satisfaction of the operator.

In addition, youth files will be monitored to ensure they are in compliance with child labor laws.

A formal exit interview between the sub-contractors and the WDB staff will be conducted when all sites have been monitored, and all findings reports are closed. The sub-contractor will receive a written notification of the interview.

Monitoring Guide -

The WDB staff may develop a monitoring guide as an oversight tool used to gain a better understanding of the sub-contractor's project processes. In the event that a monitoring guide is developed, it will be shared with the sub-contractors within 24 hours of the scheduled monitoring.

OJT Contracts -

OJTs will be monitored according to SOP 15-03.

Expenditure Monitoring -

The Fiscal Agent for the WDB will conduct ongoing monitoring of the expenditures under all programs. The Fiscal Agent may develop a monitoring guide as an oversight tool; if developed, such a monitoring guide must be shared with the sub-contractor within 24 hours of scheduled on-site monitoring.

Fiscal Agent will implement a regular monitoring schedule with the sub-contractor for the appropriate program year.

Monitoring Staff

WDB staff – Monitoring Team

Crowe Horwath, LLC - State Fiscal Agent Staff

High Risk Service Providers

A high-risk service provider determination may be made by the WDB or Fiscal Agent where:

- Monitoring activities uncover disallowed costs exceeding \$5,000
- When a service provider fails to obtain a minimum WIOA Performance Measures, or Common Performance Measures, not yet determined under WIOA.
- Negative public relations and/or published scandals have come to the attention of the Workforce Development Board that the WDB determines may negatively impact contract and program performance
- Recommendation by the Department of Workforce Development
- Additional criteria may be established for data validation.

High-risk service providers may be monitored quarterly until such a time as the WDB and/or Fiscal Agent determine that the identified issues have been resolved satisfactorily and system and procedures have been adapted appropriately to the WDB and Fiscal Agent's satisfaction. The WDB may initiate a full program review each quarter and desktop reviews monthly.

Corrective Action

In the event the performance of a sub-contractor is below minimum standards, a corrective action plan will be developed to improve sub-contractor performance. The WDB staff will follow-up with additional performance monitoring to determine if the deficiency has been corrected. If the sub-contractor is deemed to be in compliance of the corrective action plan, a letter will be sent advising that the correction action goals have been met.

If the sub-contractor fails to correct the deficiency, the sub-contractor will receive written notice that the program is to be placed on probation. The notice will indicate the effective date of the probation and the duration of the probation. The probationary period will not be less than thirty days or more than ninety days.

The sub-contractor will be notified in writing five days before the probation period expires of one of the following:

- a. The probation will be terminated.
- b. The program will be terminated
- c. The probations will be extended for a period of time not to exceed 90 days.