

**SOP 16-08**  
**Sub-recipient Monitoring Policy**  
**Standard Operating Procedures**  
**Grow Southwest Indiana Region 11**  
**Approval Date 05/27/2016**  
**Revision 8/12/2024**

**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

**References**

- Workforce Innovation and Opportunity Act, Sections 116, 184, 185, and 188
- Department of Labor Exceptions at 2 CFR, part 2900, Uniform Administrative Requirements, Cost principles, and Audit Requirement for Federal Awards Final Rule
- Office of Management and Budget, 2CFR Chapter 1, Chapter II, Part 200, et al, Uniform Administrative Requirements, Cost Principles, and Audit Requirements Final Rule
- WIOA Proposed Regulations, Subpart D, Sections § 683.400-683.440, and Subpart G, Sections 583.700- 683.750
- Training and Employment guidance Letter, No. 15-14.

**Content**

**State Level Monitoring**

*Monitoring Scope*

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 will 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, of the OMB Super Circular) as adopted by the Department of Labor (DOL). The Stat will certify this monitoring process to DOL every two years.

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

The ROC will monitor the LWSA's WIOA program year activities-to-date in three major subject areas (review areas):

1. Administrative and Financial Management. This review area includes, but it 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. This 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 data, 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, and procedures, and overall customer service efforts and effects.

3. 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.
4. Performance. This review area includes, but is not limited to, an examination regarding how the LWSA has performed against applicable performance requirements.

### *Additional Review/Technical Assistance*

In addition to the Annual OSR, 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 area 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, will 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 will ensure that the use, management, and investment of funds for workforce development activities maximize performance outcomes under WIOA Section 116.

Each LWSA will 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 will 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.

1. 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.
2. For WIOA sub-contractors, participants files will be reviewed using both electronic files and hard files (when applicable).
3. The WDB staff may develop a monitoring guide as an oversight tool used to gain a better understanding of the subcontractor's project processes. A monitoring guide will be shared with the subcontractor within 24 hours of the scheduled monitoring.
4. A minimum of 10% of all active files will be reviewed. Exited files may be reviewed as well.
5. Site visits will be made to each site at least one time per program year.
6. 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, subcontractor staff will not be responsible for the absence of a staff person when this situation arises.
7. All monitoring will be completed 60 days prior to the end of any program year.
8. A written report will be sent to the subcontractors within 30 days of completion of the monitoring. Subcontractors will be given no less than 15 working days to correct or explain findings.
9. Resolution actions will continue at the direction of the WDB staff until all findings have been resolved.

10. A formal exit interview between the subcontractors and the WDB staff will be conducted when all sites have been monitored and all findings' reports are closed. The subcontractor will receive a written notification of the interview.

#### *Additional Reviews*

- Monitoring reviews will also be conducted through monthly performance reports to WDB committees.
- When applicable, WDB will contact a monitoring review for a particular funding source.
- If a customer is enrolled in an ITA, OJT, or WEX, files will be monitored as well.
- Site visits will interview staff and customers who may be at the site for services.
- Expenditure monitoring
  - The Fiscal Agent for the WDB will conduct ongoing monitoring of the expenditures under all programs.
- A high-risk service provider determination may be made by the WDB or Fiscal Agent:
  1. Where monitoring activities uncover disallowed costs exceeding \$5,000.
  2. When a service provider fails to obtain a minimum WIOA performance measure
  3. Where negative public relations and/or published scandals have come to the attention of the WDB that the WDB determines may negatively impact contract and program performance.
  4. By recommendation by the Department of Workforce Development
  5. Where additional criteria may be established for data validation
- High-risk service providers may be monitored quarterly or monthly until such a time as the EDB and/or Fiscal Agent determine that the identified issues have been resolved.

#### *Corrective Action*

- In the event the performance of a subcontractor is below minimum standards, a corrective action plan will be developed to improve subcontractor performance. WDB staff will follow up with additional monitoring to determine if the deficiency has been corrected.
- If the subcontractor is deemed to be in compliance with the corrective action plan, a letter will be sent advising that the correction action goals have been met.
- If the subcontractor fails to correct the deficiency, the subcontractor 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 (30) days or more than ninety (90) days. The subcontractor will be notified in writing five days before the probation period expires of one of the following:
  - The probation will be terminated.
  - The program will be terminated.
  - The probation will be extended for a period of time not to exceed ninety (90) days.

#### **Effective Date**

Immediately

#### **Ending Date**

Upon rescission