

SUBRECIPIENT MONITORING Policy #: A-01

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Revision:
03.14.2019

BACKGROUND: The WOW Workforce Development Board (WOWWDB) is a pass-through entity of funds awarded for WIOA Title I Adult, Dislocated Worker, and Youth programs. Annual monitoring of subrecipients is a requirement of federal grant awards including the Workforce Innovation and Opportunity Act (WIOA). The WOWWDB is responsible for oversight of the operations of the WIOA activities in Workforce Development Area #3. WOWWDB will monitor its activities under the Federal awards to assure compliance with applicable WIOA requirements and that performance expectations are being achieved. The WOWWDB emphasizes performance and places a high priority on the effectiveness of funded programs. Monitoring subrecipient services on a regular basis will help ensure program compliance. This policy establishes the WOWWDB's responsibility to develop and maintain a monitoring process and the obligation to conduct annual monitoring for all funded programs. The overall objective of monitoring is to assure compliance with applicable Federal requirements and program expectations, improve program operations, identify necessary corrective action, and provide for open, interactive communication between the subrecipient and WOWWDB staff.

POLICY: The WOWWDB, in compliance with state and Federal regulations, shall conduct desk and on-site monitoring of all subrecipients receiving program funds. Monitoring shall occur minimally once annually in accordance with written monitoring procedures developed and maintained by WOWWDB staff. The monitoring will be conducted within WIOA's identified fiscal year of July 1 to June 30. Monitoring procedures will be reviewed annually to ensure it remains in compliance.

The WOWWDB must:

- Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
- Monitor the activities, as necessary, to ensure that the subaward is used for authorized purposes in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.
- Verify that each subrecipient is audited as required by 2 CFR 200 Subpart F—Audit Requirements when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded \$750,000.
- Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicated conditions that necessitate adjustments to the pass-through's own records.
- Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR §200.338 - Remedies for noncompliance of this part and in program regulations.

The WOWWDB's monitoring will include, at minimum:

- A review of financial and performance reports required by WIOA;
- A review to ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award that were detected through audits, on-site reviews, and other means, and;
- Issuing a management decision (closure letter) for audit findings pertaining to the Federal award provided to the subrecipient from WOW WDB as required by 2 CFR 200.521 Management Decision.

The WOWWDB directs WOWWDB staff to develop and maintain desk and on-site monitoring procedures and systems that addresses the scope, frequency, and subrecipient performance standards. The scope of the monitoring process should include subrecipient program services and delivery systems, performance progress, participant file maintenance and accuracy, financial operations and recordkeeping, non-discrimination and equal opportunity compliance, and program operator issues. The monitoring process shall fully comply with federal and state laws, regulations, and standards. Technical assistance shall be offered when requested or as needed. Periodic desk reviews will compare subrecipient reports with standard computer generated reports (i.e., ASSET) to identify discrepancies or performance-related issues. On-site monitoring may also include in-person interviews, including: subrecipient employees, employers, and program participants. WOWWDB staff will follow consist monitoring checklists utilizing published Department of Workforce Development WIOA guides and checklists.

Consistent with the Department of Workforce Development, WOWWDB staff will provide monitoring feedback to the subrecipient utilizing the following report terminology:

- *Positive Practices:* Innovative practices which demonstrate a positive effect on programmatic success.
- *Areas of Concern:* Issues identified as a weakness in program operations that may cause non-compliance if not addressed, corrected or modified.
- *Findings:* Serious failure to comply with Federal State, or local established policies, procedures, or directives that may lead to disallowed costs/or threaten programmatic integrity, performance, and possibly future funding.
- *Recommended Action:* Suggested action steps to address Areas of Concern or Findings.
- *Required Action:* Step(s) that are necessary to address Findings or Areas of Concern. Requires a corrective action plan.

Any issues identified will be addressed through a subrecipient corrective action process. WOWWDB staff shall take prompt action when instances of noncompliance are identified. This shall include follow-up to ensure that the subrecipient takes timely and appropriate action on all deficiencies found. A closure letter shall be issued when all the concerns and findings have been resolved. The results of desk and on-site monitorings must reported to the WOWWDB.

Subrecipients shall:

- Determine that expenditures have been made against the proper cost categories and within the cost limitations specified in the Act and the regulations;
- Determine whether there is compliance with other provisions of the Act and the WIOA regulations and other applicable laws and regulations;
- Assure compliance with WOW WDB's contract;
- Assure compliance with Generally Accepted Accounting Principles;
- Assure compliance with 2 CFR part 200;
- Determine compliance with the nondiscrimination, disability, and equal opportunity requirements of WIOA Section 188, 29 CFR Part 38;
Perform internal monitoring of client files, activities, and performance, and report results in the Quarterly Report;
Cooperate with WOWWDB staff by supplying responses to any pre-monitoring questionnaires, required desk review files, documents, and participate/cooperate in on-site monitoring visits; and
- Provide a written response to any areas of concern or findings identified in the monitoring report and include a corrective action plan for all findings.

Policy Adopted: 03.14.2019

Policy Revised: Previous monitoring policy O-01 was archived on 03.14.19

References: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – 2 CFR 200 (200.303 (d), 200.318 (b), 200.328(a), 200.331); Workforce Innovation and Opportunity Act sections 107, 108, 129, 134, 184, 188; Workforce Innovation and Opportunity Act – Notice of Proposed Rulemaking, 20 CFR § 683.410; Implementation of the Nondiscrimination and Equal Opportunity Provisions of the Workforce Innovation and Opportunity Act, 29 CFR Part 38; Workforce Innovation and Opportunity Act - Part 678 Subpart D – One Stop Operators; Training and Employment Guidance Letter WIOA No. 15-16.