

	West Central Region Local Policy		West Central Date of Change: 4.22.2022 Section: Attachment 4
	Subject: Sub State Monitoring	Release Date: 3/23/22	
	Reference: OWD Issuance 11-2021	Revision: 5	

Financial and Program oversight, monitoring and/or review of activities, as set forth in OWD Issuance 11-2021, are the primary responsibilities of the West Central Region’s Workforce Development Board and CEO. The duties to perform oversight are designated to the Programs/Compliance Specialist and the Accounting Specialist. The Executive Director of the Workforce Development Board will ensure independence from the duties or system monitored are demonstrated.

Quality Assurance

A variety of monitoring methods will be utilized. These may include questionnaires, interviews of customers, employers and Job Center staff. Monitoring reviews will include on-site visits to subsidized employer worksites (i.e.: summer youth work experience and On-the-Job training); desktop reviews using the Office of Workforce Development (OWD) Statewide Information Management System (MIS) and available reports and data accessed through MO Performs; as well as hard copy file review during the on-site visits to regional Job Centers .

The Local WDB (or designated local monitor) must submit annual reports for Financial, Programmatic, One-Stop Operator and EO monitoring each Program Year to their subrecipient(s). Annual reports must be issued by June 30th of each program year.

A monitoring report will be prepared in July and January regarding compliance with the terms and conditions of each contractual scope of work and submitted each Program Year to the Workforce Development Board’s Executive Director for distribution to the West Central Region Workforce Development Board and Chief Elected Officers (CEO) as referenced in section 107 (d)(8) [20 U.S.C. 3122(d)(8)] of the Workforce Innovation and Opportunity Act in accordance with the appropriate provisions of the most current WDB/CEO agreement in order to support strategic planning and oversight decisions. The reports that will be presented to the board and documented in meeting minutes include:

- One Stop Operator Monitoring
- Programmatic Monitoring
- Financial Monitoring
- Equal Opportunity Monitoring
- Performance Reviews
- Special Initiatives/Grants

Quarterly, the Workforce Development Board will receive monitoring reports regarding compliance and performance on each contractual agreement. Other areas that will be covered in monitoring reports are the adequacy of assessment, planning of activities and services, coordination of One-Stop system partners to meet the comprehensive needs of customers, and customer outcomes. As required by WIOA when any problems are identified, prompt and appropriate corrective action will be taken.

The West Central Region abides by policies and/or procedures which demonstrate that programmatic and operational oversight systems effectively measure compliance with WIOA regulations, and OWD guidance and issuances.

Established policies and/or procedures ensure:

- The review of program quality
- Continuous improvement of service delivery
- A comprehensive examination of compliance issues cited in State/Regional reviews
- The determination of the effectiveness of corrective action measures to address issues of concern.

Specific guidance outlined in OWD Issuance 11-2021 will govern monitoring activities relative to: customer data and eligibility documentation; orientation to customer rights and acknowledgment of receipt of Missouri WIOA Complaint Grievance Guide; eligibility; priority for programs and services received; orientation to services and justification of individual career services or training services; methods of assessment; employment planning; Individual Training Accounts (ITAs); appropriateness and accuracy of participant payments (support services/needs related payments); MIS data entry and validation; posting of customer outcomes including attainment of degree or certificate; supplemental employment data; customer satisfaction; etc.

The WDB monitoring will systematically evaluate every aspect of service delivery, identify weaknesses/opportunities, provide training/technical assistance, implement action steps and monitor corrective actions. While constantly seeking to improve process and advance staff development, the by-product will be enhanced performance as measured in program outcomes and customer satisfaction.

Risk Assessment

Prior to issuing any award under WIOA title I, the Local WDB must conduct a risk assessment to assess the Sub recipient's overall ability to administer Federal funds as required under 2 CFR 200.205. 1. As part of this assessment, the Local WDB must consider any the Sub recipient's history with regard to management of other grants, financial stability, quality of management systems and standards, history of performance, timeliness of compliance, conformance to terms and conditions of previous awards, reports and findings from audits, and ability to implement effectively statutory, regulatory, or other requirements. 2. Thereafter, the Local WDB must conduct annual sub recipient risk, assessments based on criteria identified above. Risk Assessment will be conducted using Attachment 1 to this policy.

One Stop Operator Review

The Local WDB must conduct an annual review of their 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. "Oversight and monitoring is an integral function... to ensure the one-stop operator's compliance with the requirements of WIOA, the activities per the SOW, performance reporting requirements, and the terms and conditions of the contract or agreement governing the one-stop operator."

1. If it is determined that the one-stop operator is not meeting expectations, corrective action must be taken which can include contract termination.

2. When the Local WDB is the one-stop operator, there is an inherent conflict of interest in that the Local WDB cannot effectively monitor itself. In such circumstances, an outside entity or a State agency, such as a State auditor or inspector general, must conduct the monitoring and report the monitoring results to the CLEO. .

The One Stop Operator Monitoring tool can be found at <https://jobs.mo.gov/sites/jobs/files/one-stop-operator-monitoring-tool.docx>.

Programmatic Monitoring

The WDB will use random-sampling techniques in participant file reviews to test eligibility in every funding stream for which they have a contract with OWD. When reviewing WIOA Adult and Dislocated Worker participant records, the two funding streams will be combined then sampled by service. Each Program Year, the Board must monitor a separate statistically valid sample of Adult and Dislocated Worker participants enrolled in each of the following services:

- Classroom Training
- On-the-Job Training
- Work Experience/Internship
- Supportive Services/Needs-related payments
- Any other services that result in a direct payment being made to, or on behalf of, a participant

The following sample sizes are required, at a minimum, depending on the universe to be reviewed. These guidelines are applicable for every sample to be reviewed.

Universe	Sample Size
1-200	69
201-300	78
301-400	84
401-500	87
501-1,000	96
1,001-2,000	100
2,001-10,000	105

This table is for a random sampling with a confidence level of 90 percent and a margin of error of 8 percent.

The Workforce Development Board will, in accordance with OWD Issuance 11-2021, at a minimum, review participant records for:

- Documentation of participant eligibility and/or priority for the programs and services received;
- Orientation to services;
- Orientation of the participant to his/her rights under complaint and grievance procedures;
- Justification for the provision of Individualized Career Services or Training services;
- Method of assessment;
- Employment planning;

- Individual Training Accounts;
- Appropriateness and accuracy of participant payments (i.e., Supportive Services and Needs Related payments);
- Appropriate data entry;
- Examination of historical change requests;
- Compliance issues cited in prior Federal, State, and Local reviews;
- Posting of outcomes, including the attainment of a degree or certificate and any supplemental employment data.; and
- Determination if prior corrective measures have proven effective

Local monitors will ensure that Youth monitoring procedures have been adjusted to include the WIOA changes such as:

- Out of School Youth 75% expenditure requirement
- 20% work-based learning with educational component requirement
- 5% limit on In-School Youth enrolled with the “Requires additional assistance” barrier
- 5% over-income exception, and
- New eligibility criteria and barriers

Quarterly monitoring reviews will be conducted by the WDB as required by OWD Issuance 11-2021. Monitoring will be conducted using the Excel workbook that OWD uses to monitor participant records.

Financial Monitoring

An annual Financial Monitoring Review will be conducted to ensure fiscal integrity. An independent auditor will conduct the review. The Financial Review Instrument used to document the review is designed to ensure adequacy of internal controls; test the reliability of sub recipient’s financial management system; ensure compliance with contract terms and conditions; assess achievement of fiscal goals or requirements; verify the accuracy of amounts reported, allowability of expenditures and evidence of supportive documentation and proper allocation of funds. Systems reviewed include financial reporting; internal controls, source documentation, cost allocation, cash management; interest earned on advances, program income/Stand-In/In-Kind Costs, procurement and personnel systems, etc. Written Reports of Findings shall be provided to the Board with a schedule for corrective action being established. Follow-up is conducted, as appropriate, to ensure corrective action occurs and is documented.

Quarterly financial monitoring of the sub-recipient will be conducted by the Accounting Specialist. At a minimum the following items will be included in the monitoring:

- Audit Resolution/Management Decision
- Financial Reports
- Internal Controls
- Source Documentation
- Cost Allocation
- Cash Management
- Procurement

Data Element Validation (DEV) Review

Quarterly Data Element Validation (DEV) Review will be conducted by the Programs/Compliance Specialist to ensure the integrity of performance outcomes as set forth in OWD Issuance 07-2020. This review is to verify that the performance data elements reported by Missouri are valid, accurate, reliable, and comparable across programs.

Monitors use random sample techniques when selecting the exited file to review. Depending on the amount of records that exited the prior program year, the corresponding number of sample records show below, at a minimum, must be examined. These guidelines are applicable for every review.

Universe	Sample Size
1-200	69
201-300	78
301-400	84
401-500	87
501-1,000	96
1,001-2,000	100
2,001-10,000	105

This table is for a random sampling with a confidence level of 90 percent and a margin of error of 8 percent.

Quarterly On Site Equal Opportunity Monitoring

The Local WDB must conduct quarterly on-site EO Monitoring which includes, but is not limited to:

1. Ensuring compliance with the nondiscrimination and equal opportunity provisions of WIOA, 29 CFR Part 38 and the Missouri Nondiscrimination Plan, and negotiating, where appropriate, with a recipient to secure voluntary compliance when noncompliance is found under §38.91(b).
2. Quarterly monitoring the compliance of recipients with WIOA section 188, 29 CFR Part 38 and the Missouri Nondiscrimination Plan, including a determination as to whether each recipient is conducting its WIOA Title I-financially assisted program or activity in a nondiscriminatory way.

At a minimum, each annual monitoring review required must include:

- A statistical or other quantifiable analysis of records and data kept by the recipient under §38.41, including analyses by race/ethnicity, sex, limited English proficiency, preferred language, age, and disability status;
- An investigation of any significant differences identified in paragraph (b)(1) of this section in participation in the programs, activities, or employment provided by the recipient, to determine whether these differences appear to be caused by discrimination. This investigation must be conducted through review of the recipient's records and any other appropriate means; and
- An assessment to determine whether the recipient has fulfilled its administrative obligations (for example, recordkeeping, notice and communication) and any duties assigned to it under the Missouri Nondiscrimination Plan

WDB shall incorporate additional financial and programmatic monitoring policies to ensure funds intended to support stand-alone summer youth programs or other special initiatives are administered in accordance with contractual scopes of work. These policies will supplement existing monitoring duties and be conducted during program operation to assure accountability and transparency of expenditures.

Attachment 1

**Missouri Office of Workforce Development
Financial Assistance Sub recipient Risk Assessment**

**Recipient
Name:
Completed By-Name:
Region:**

**Date Completed:
FY:
Recipient DUNS:**

Instructions:

1. Complete this form once a Fiscal Year (FY) for each recipient who will be awarded one or more grant or cooperative agreement awards from the program in the open FY. The results of this risk assessment will apply to all awards to the recipient in the open FY.
2. For each category below, enter a numerical rating of 0=Not applicable (N/A), 1=Low, 2=Medium or 3=High in the Rating box. Use the information provided under the Rating Description sections to assist you in assigning a rating to each category. If not a new recipient, consider the recipient's performance on all currently open and recently closed awards, when applicable to the risk category.
3. For each category below, specify in the "Basis for Rating and Other Comments" field the factors that contributed to the rating entered. Provide enough detail to give an independent reviewer a clear understanding of the rationale used to determine the rating. If documents exist to support your rating (e.g., performance report on previous award) identify the document(s) and specify the location of the document(s). Here is an example of the type of detail to be entered in the "Basis for Rating and Other Comments" fields:

Category 1 Rating = 1; "Basis for Rating and Other Comments" field reads: The recipient has successfully implemented awards under our program in the past. Some projects include subrecipients and construction, but awards with these complexities have been well managed. Summaries of past project results are available in our program database.

Category 1: Subrecipient's prior experience with the same or similar subawards	Rating: <input style="width: 100px;" type="text"/>
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Category 1 Rating Descriptions

0=N/A:	Recipient has no past or current award from the program.
1=Low:	Recipient has been timely in the submission of budget and project amendment requests, prior approval requests, financial and performance reporting, extensions of performance period and reporting due dates, and significant development reports, as applicable.
2=Medium:	Recipient has mostly been timely in the submission of budget and project amendment requests, prior approval requests, financial and performance reporting, extensions of performance period and reporting due dates, and significant development reports, as applicable. When out of compliance, recipient was responsive to written notifications and requests from DWD regarding late or incomplete requests or reports.
3=High:	Recipient has consistently been late in the submission of budget and project amendment requests, prior approval requests, financial and performance reporting, extensions of performance period and reporting due dates, and significant development reports, as applicable. Recipient is seldom or not at all responsive to written notifications and requests from DWD regarding late or incomplete requests or reports.

Basis for Rating and Other Comments:

Category 2: Results of previous audits	Rating: <input style="width: 100px;" type="text"/>
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Category 2 Rating Descriptions

0=N/A:	Recipient is a Commercial Organization, Foreign Entity, or Individual.
1=Low:	Recipient is a government or non-profit entity and their application indicates that they were not required to submit a single audit report for their most recently closed fiscal year; recipient completed a single audit for at least one of their two most recently closed fiscal years. Recipient submitted required single audit report to the Single Audit Clearinghouse on time. Recipient did not have any Qualified or Adverse/Disclaimer opinions, significant internal control deficiencies or findings for non-compliance.
2=Medium:	Recipient has not had any Adverse/Disclaimer opinions, more than two significant internal control deficiencies, or more than two findings for non-compliance on single audits conducted in the last five years. Recipient was late in submitting required single audit report to the Single Audit Clearinghouse.
3=High:	Recipient has had an Adverse/Disclaimer opinion, more than two significant internal control deficiencies, or more than two findings for non-compliances on single audits conducted in the last five years. Recipient has a history of not submitting single audit reports to the Single Audit Clearinghouse on time. Recipient currently working under a single audit Corrective Action Plan related to a current or previous award funded by the program.

Basis for Rating and Other Comments:

Category 3: Whether the subrecipient has new personnel or new or substantially changed systems	Rating: <input style="width: 100px;" type="text"/>
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Category 3 Rating Descriptions

0=N/A:	Recipient is an Individual.
1=Low:	Recipient provided information detailing the experience and qualifications of key project personnel. All personnel appear qualified to meet the project objectives; no past issues with recipient in regards to key staff qualification. The project is fully staffed.

2=Medium:	Recipient provided information detailing the experience and qualifications for some key project personnel. All of the identified personnel appear qualified to meet the project objectives, but other key project personnel have not yet been hired.
3=High:	Recipient has not yet identified/hired any key project personnel; one or more of the personnel identified do not appear qualified to meet the project objectives; or one or more key personnel left the project and replacement(s) have not been identified.

Basis for Rating and Other Comments:

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Category 4: Extent and results of Federal awarding agency monitoring	Rating:
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Category 4 Rating Descriptions

0=N/A:	Recipient has no past or current award from the program; or previous/current/pending award. If previous/current/pending award funded by other types of funds, program authorizing legislation does not require recipients to conduct a formal monitoring.
1=Low:	Recipient has had no significant internal control deficiencies or findings for non-compliance.
2=Medium:	Recipient has had less than two significant internal control deficiencies and less than two findings for non-compliance.
3=High:	Recipient has had more than two significant internal control deficiencies and more than two findings for non-compliance.

Basis for Rating and Other Comments:

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RISK RATING AVERAGE (auto-calculated based on numerical scores entered in Rating boxes above):	0.00
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Instructions: In the Preliminary Risk Level box below, enter the preliminary risk level that corresponds with the risk rating average calculated above, as follows:

- Enter "**Low**" if the number in the Risk Rating Average box above is between **0-1.49**
- Enter "**Medium**" if between **1.5-2.49**
- Enter "**High**" if between **2.5-3**

PRELIMINARY RISK LEVEL (Low, Medium or High):	
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OTHER FACTORS IMPACTING RISK LEVEL:

Instructions: Consider if there are any other factors that impact, either by raising or lowering, the recipient's preliminary risk level. If there are such factors, describe each factor and explain how each raised or lowered the preliminary risk level in the text box below, and then enter either "Low", "Medium" or "High" in the Final Risk Level box below.

If no such factors exist, enter "No other factors impact the preliminary risk level" in the text box below, and then enter the same value as entered in the Preliminary Risk Level box above in the Final Risk Level box below.

FINAL RISK LEVEL (Low, Medium or High):	
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