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	<b>Subject:</b> Sub State Monitoring	<b>Release Date:</b> 1/24/24
	<b>Reference:</b>	<b>Revision:</b> 8

Financial and Program oversight, monitoring and/or review of activities, as set forth in the current OWD Issuance, are the primary responsibilities of the West Central Region’s Workforce Development Board (WDB) and Chief Local Elected Officials (CLEO). The duties to perform oversight are designated to the Programs/Compliance Specialist and the Accounting Specialist. Local WDB staff maintain a separation of duties and are independent from the duties or systems monitored. Programs are subcontracted and therefore duties are inherently separated.

**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 sub recipient(s). Annual reports must be issued by June 30th of each program year.

A monitoring report will be prepared 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

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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 the current OWD issuance 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.

As part of this assessment, the Local WDB must consider the Sub recipient’s:

- history with regard to management of other grants,
- financial stability,

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- 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.

Thereafter, the Local WDB must conduct annual sub recipient risk assessments based on criteria identified above.

### **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.”

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

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.

### **Programmatic Monitoring**

Quarterly monitoring reviews will be conducted by the WDB to evaluate federal, state, and local compliance for every funding stream for which the local WDB has a contract with the Office of Workforce Development. Quarterly reviews will also monitor for the requirements set forth in the current subrecipient MOU/RFP/Contract for carrying out programmatic duties.

Monitoring will be conducted using the Excel workbook that OWD uses to monitor participant records.

The WDB will use random-sampling techniques in participant file reviews. When reviewing WIOA Adult and Dislocated Worker participant records, the two funding streams will be combined then sampled by

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service. Current program year enrollments will be monitored; however, sample records may be pulled from prior quarters, as needed.

Sample size will be adjusted upwards as necessary based on the results of risk assessments, prior monitoring reviews, performance obligations, and other identified issues.

At a minimum, 35% of active enrollments will be monitored for adherence to WIOA eligibility requirements.

Random-sampling techniques generated by the reports feature in the electronic statewide case management system will be used to obtain samples. WIOA Adult and Dislocated Worker records will be combined and then a sample will be generated by service/activity ensuring a statistically valid sample of both funding streams

A minimum of 35% of active records for that quarter will be generated quarterly for the following activities:

1. ABC enrollments
2. Classroom Training
3. On-the-Job Training
4. Work Experience/Internship/Apprenticeship
5. Pre-Vocational, Entrepreneurial, Incumbent Worker
6. Supportive Services
7. Any other services that result in direct payment to, or on behalf of, a participant.

If the number of records is less than 35% for that quarter in the sample, then all applicable records will be reviewed. If no sample is available for the activity/service during that quarter, this will be noted on the monitoring tool.

The Workforce Development Board will, in accordance with current OWD Issuance, 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;

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- 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 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

The Compliance Specialist will identify Area (s) of Concern and/or Finding (s) that appear in two or more consecutive annual monitoring reports for the subrecipient and no improvement can be determined. These issues may result in one or more of the following:

- Areas of Concern that are escalated to Findings;
- Requirement of additional corrective actions;
- Direct notification of specific issues provided to the Chief Elected Official for the LWDA, or other sub-recipient management;
- Implementation of more frequent monitoring of sub-recipient activities;
- Mandatory on-site training or technical assistance for subrecipient staff;
- Development of a performance improvement plan;
- Development of a modified local plan; and/or
- Prohibiting the use of eligible providers and one-stop partners who have failed to take appropriate corrective actions.

The subrecipient will receive a word/pdf document restating issues identified on the monitoring tool via email with a clearly stated due date which will be no more than 15 business days. Issues may be resolved in-person, email, or by phone.

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**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 the current OWD issuance. This review is to verify that the performance data elements reported by Missouri are valid, accurate, reliable, and comparable across programs.

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**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

Quarterly EO Monitoring Review Schedule for Local WDB:

- 1stQuarter EO monitoring review must include reviewing service provider’s websites, facilities, and reviewing policies and procedures.
- 2nd Quarter EO monitoring review must include a statistical or other quantifiable analysis of employment practices (staffing analysis) records and data kept by the LWDB and service providers in accordance with 29 CFR 38.41.
- 3rd Quarter EO monitoring review must include a review of any On-the-Job Training Employers, Work Experience Employers, and any special projects compliance with Section 188 of WIOA, 29 CFR 38, and the Missouri Nondiscrimination Plan.
- 4th Quarter EO monitoring review must include a statistical or quantifiable analysis of the programs, services, and activities offered by the LWDB and service providers.

The Programs/Compliance Specialist will submit complaint logs by the 5<sup>th</sup> day after the quarter end.

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An EO report will be submitted by June 30<sup>th</sup> of each program year that covers the monitoring reviews conducted during the year. This overall report will indicate if the local WDB and its service providers complied with the EO monitoring requirements and if any corrective actions and sanctions have been enforced.

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.

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Attachment 1

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

**Date**

**Recipient Name:** \_\_\_\_\_ **Completed:** \_\_\_\_\_

**Completed By -Name:** \_\_\_\_\_ **Region:** \_\_\_\_\_ **FY:** \_\_\_\_\_ **Recipient DUNS:** \_\_\_\_\_

**Instructions:**

- 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.
- 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.
- 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.*

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

<b>0=N/A:</b>	Recipient has no past or current award from the program.
<b>1=Low:</b>	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.
<b>2=Medium:</b>	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.
<b>3=High:</b>	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:**

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**Category 2: Results of previous audits**

**Rating:**

**Category 2 Rating Descriptions**

<b>0=N/A:</b>	Recipient is a Commercial Organization, Foreign Entity, or Individual.
<b>1=Low:</b>	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.
<b>2=Medium:</b>	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.
<b>3=High:</b>	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:**

**Category 3 Rating Descriptions**

<b>0=N/A:</b>	Recipient is an Individual.
<b>1=Low:</b>	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.
<b>2=Medium:</b>	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.
<b>3=High:</b>	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:**

**Category 4: Extent and results of Federal awarding agency monitoring**

**Rating:**

**Category 4 Rating Descriptions**

<b>0=N/A:</b>	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.
<b>1=Low:</b>	Recipient has had no significant internal control deficiencies or findings for non-compliance.
<b>2=Medium:</b>	Recipient has had less than two significant internal control deficiencies and less than two findings for noncompliance.

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<b>3=High:</b>	Recipient has had more than two significant internal control deficiencies and more than two findings for noncompliance.
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**Basis for Rating and Other Comments:**

**RISK RATING AVERAGE (auto-calculated based on numerical scores entered in Rating boxes above):** **0.00**

**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):** [ ]

**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):** [ ]