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### **Sub-State Compliance and Monitoring Policy**

WIOA mandates the local WDB and the Chief Local Elected Official (CLEO) are responsible, in partnership, for the oversight of the WIOA Title-I programs. In order to fulfill this oversight responsibility, the results of the monitoring will be presented to the Southeast Workforce Development Board President/Chief Operating Officer (COO), the Chief Local Elected Official (CLEO), all the members of the Southeast Workforce Development Board, and Southeast Workforce Development Board Program Management Staff Members. This policy covers local monitoring for programmatic, administrative, and operational oversight to effectively measure compliance in a manner compatible with WIOA regulations and OWD policies. The following elements and standards are a minimum of what will be performed at the Board Administrative and Oversight Level, additional compliance and monitoring efforts should be put into place by program management and staff members.

1. **Responsible Representative** - Oversight function is performed by members of the Fiscal and Compliance Departments for the Southeast Workforce Development Board (SE WDB). WDB staff work at the direction of the WDB President, and the board itself, to verify that the Workforce Innovation and Opportunity Act (WIOA) regulations are being upheld and the program staff are performing according to proposals submitted and contracts signed. Due to comments from the WIOA Preamble, guidance referenced at 678.20(b) and 678.430 - there must be appropriate firewalls between staff providing services and staff responsible for oversight and monitoring of services. Southeast Workforce Development Board Fiscal and Compliance Department staff members are not authorized to operate or provide services within the program(s). Due to that firewall, these departments have been given the responsibility of conducting program and fiscal oversight and monitoring of the programs and services. Monitoring includes but is not limited to fiscal expenditures, program eligibility and compliance, data system compliance, performance entry compliance and performance outcomes.
2. **Risk Assessment** – The Southeast Workforce Development Board will conduct a risk assessment, prior to issuing any award under WIOA title I, to assess the organizations overall ability to administer Federal funds as required under 2 CFR 200.205. As a part of this assessment, the SE WDB should consider any information that has come to its attention through federal, state, or local monitoring. The Risk Assessment will take into account the organizations history with regard to management of other grants. The SE WDB uses the Department of Higher Education and Workforce Development provided Risk Assessment Form to complete this requirement which includes: 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 the ability to implement effective statutory, regulatory, and other requirements. Thereafter, the Southeast Workforce Development Board will conduct annual risk assessments based on the conditions and criteria listed above.
3. **One Stop Operator** – An annual review of the Southeast Workforce Development Board One-Stop Operator will be completed to ensure compliance with the requirements outlined in 20 CFR 678.620 as well as any responsibilities outlined in the current Memorandum of Understanding (MOU), Request for Proposal (RFP), and/or Contract. TEGL 15-16 states that To ensure the One-Stop Operator is operating within compliance and the requirements of WIOA, the activities per the Scope of Work (SOW), performance reporting requirements, and the terms and conditions of the contract or agreement governing the one-stop operator must have oversight and monitoring as an integral function. If it is determined that the One-Stop Operator is not meeting expectations, corrective action must be taken which can include termination of the contract. If the

Southeast Workforce Development Board ever operates as the One-Stop Operator, an outside entity or agency will be required to conduct the One-Stop Operator monitoring due to the inherent conflict of interest and that entity or agency must report those monitoring results to the CLEO.

4. **Programmatic Monitoring**– The Southeast Workforce Development Board Compliance Manager will be responsible for quarterly Programmatic Monitoring Reviews to test for compliance in every funding stream that the SE WDB has a contract with Missouri Office of Workforce Development (OWD). If 100% of all files are not monitored, then the monitoring will be completed by service/activity. To ensure compliance in every funding stream for which the Southeast WDB has a contract with OWD, monitoring will include a statistically valid sample of participants enrolled in each of the following services: Classroom Training, On-The Job Training, Work Experience/Internship/Apprenticeship, Supportive Services, or any other services that result in a direct payment being made to, or on behalf of, a participant. Sample sizes will be based on quarterly monitoring requirements to ensure annual record sample size requirements are met and will be adjusted as necessary based on the results of risk assessments, prior monitoring efforts, and other identified issues. When possible, random sampling techniques will be used to select the files chosen for monitoring. At a minimum, samples will be pulled starting from the last quarter of the previous program year until the current date.

All forms for eligibility documentation, services rendered, and payments are compared to data system for data entry accuracy. At a minimum, these participant files will be reviewed for:

1. Documentation of participant and training eligibility and/or priority for the programs and services received;
2. Orientation to services;
3. Signed acknowledgement from participant that notification of complaint & grievance rights and procedures was received;
4. Justification for the provision of Individualized Career Services or Training services;
5. Method of assessment;
6. Employment planning;
7. Individual Training Accounts, including all applicable paperwork/documentation;
8. Work Based Learning, including all applicable paperwork/documentation;
9. Appropriateness and accuracy of participant payments;
10. Appropriate data entry;
11. Posting of outcomes, including attainment of degree or certificate, measurable skill gains, & any supplemental employment data;
12. Documentation uploaded for all participants;
13. Examination of historical change requests;
14. Compliance issues cited in prior federal, State, and local reviews; and
15. Determination if prior corrective measures have proven effective.

Additionally, local monitoring will ensure WIOA Youth monitoring procedures are accounting and measuring for the following requirements:

- Out-of-School Youth (OSY) percentage expenditure requirements (WIOA requirement for 75% expenditures on OSY – may be subject to adjustment due to federal waiver),
- 20% work-based learning with educational component requirement,
- 5% limit on In-School Youth enrolled with the "Needs Additional Assistance" barrier, and
- 5% over income exception.

5. **Data Element Validation** – The Southeast Workforce Development Board will conduct quarterly data validation reviews to verify that performance data elements reported by the Southeast WDB are valid, accurate, reliable, and integrity of the performance outcomes. The Data Validation will be conducted after the 15<sup>th</sup> of each of the following months – October, January, April, and July to align with the end of reporting for the previous quarter. The Data Element Validation Review is to

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identify anomalies in the data, to resolve issues that may cause inaccurate reporting, and to improve program performance accountability through the results of data validation efforts. Elements that “fail” the data element review will have corresponding comments describing why the element failed and the corrective action being taken to correct the data, if applicable. The Southeast Workforce Development Board will report the outcome of the Data Element Validation Review along with the Sub-State Monitoring, to the board, annually. The number of sample records to be reviewed will be downloaded from the system generated data element sheets in the Statewide Electronic Case Management System. The Southeast Workforce Development Board Compliance Manager will be responsible for completing the quarterly data validation reviews. Staff will use the latest PIRL document, OWD Issuances, and TEGL 23-19 to validate the required elements.

6. **Financial Monitoring Review** – No payments are made from the fiscal department until all eligibility documentation, length and payment of participant training, participant employment plans, participant activities, and data system entries have been verified and signed off for payment approval by program management. The Southeast Workforce Development Board will conduct quarterly Financial Monitoring Reviews to ensure fiscal integrity. These reviews will include, but are not limited to, reviews on the following processes:
  - Audit Resolution/Management Decisions,
  - Financial Reports
  - Internal Controls,
  - Source Documentation,
  - Cost Allocation/Indirect Costs,
  - Case Management, and
  - Procurement

The Southeast Workforce Development Board has also contracted with a Certified Public Accountant who conducts an annual on-site Financial Monitoring Review of the programs operated by the board to ensure fiscal integrity. Additional reviews could be warranted, based on the evaluations of risk and noncompliance. The Financial Monitoring Review is performed to comply with WIOA Section 184(a)(4), annual Office of Workforce Development agreements, and 2 CFR Part 200 and Part 2900. The Financial Monitoring Review is conducted to ensure the adequacy of internal controls and the reliability of the SE WDB financial management system as they related to the administrative sub award. The Financial Monitoring Review must ensure the board has met the terms and conditions of the award and the fiscal goal or requirements, and that amounts reported are accurate, allowable, supported by documentation, and properly allocated. The Financial monitoring review concludes with a written report that is also presented by the Certified Public Accountant, annually during a board meeting to the Southeast Workforce Development President/COO, the Southeast Workforce Development Board CLEO, and all other SE WDB Board Members. For more information on this topic, please see the relevant Fiscal Policies for more information on the Fiscal Department Policies, Procedures, and Internal Controls.

7. **Additional Financial and Programmatic Monitoring** – To ensure funds intended to support stand-alone programs, special initiatives, and grants are administered in accordance with the contracts and scope of work, WDB staff will monitor appropriation programs during program operation. This will be in addition to existing monitoring duties to ensure program compliance, accountability, and transparency of expenditures.
8. **Equal Opportunity Monitoring** – The Local Equal Opportunity Officer is responsible for coordinating a recipient’s obligations under 29 CFR Part 38, Section 188 of WIOA and the Nondiscrimination Plan and the responsibilities assigned to the Local Equal Opportunity Officers through OWD Issuance 15-2020 and the OWD Equal Opportunity Unit. The Local WDB must conduct quarterly monitoring which include, but is not limited to:
  - Ensuring compliance with the nondiscrimination and equal opportunity provisions of WIOA, 29 CFR Part 38 and the Missouri Nondiscrimination Plan, and negotiating, when appropriate, with a recipient to secure voluntary compliance when noncompliance is found under 38.91(b).

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- 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:
  - i. 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;
  - ii. An investigation of any significant differences identified in paragraph (b)(1) of this section in participation in the programs, activities, or employment provided by 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
  - iii. An assessment to determine whether the recipient has fulfilled its administrative obligations and any duties assigned to it under the Missouri Nondiscrimination Plan.

9. **Monitoring Reports** – The Department of Higher Education and Workforce Development, Missouri Office of Workforce Development (DHEWD/OWD) requires an annual monitoring report presented to the CEO and board members regarding compliance and performance reviews. To fulfill this annual requirement the WDB Compliance Manager presents a Sub State Monitoring Report to the full board including all guests and Workforce Development Board Staff Members during the board meeting following the completion of the Program Year's Sub-State Monitoring.

The following Reports are presented to the board during a board meeting and documented in meeting minutes:

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

The reports include Sub-State Monitoring results, compliance concerns, adequacy of assessments, planning of activities and services, coordination with One-Stop Delivery System partners to meet the comprehensive needs of customers, and customer outcomes.

The WDB adheres to the WIOA regulations and requires that these problems be resolved by prompt and appropriate corrective action. Reports will identify areas of noncompliance and corrective actions taken or required for improvement based on those WIOA regulations. The submitted report will not include the comments and/or concerns that were cleared by the program during monitoring, but those comments and/or concerns will be referenced and the full monitoring report with all comments/concerns is available upon request. If a disallowed cost is identified during sub-state monitoring it will be reported to the board regardless of corrective actions that have been taken.

10. **Additional Responsibilities** – The Southeast Workforce Development Board is required to ensure staff members are conducting business in an open and transparent manner. To do this the board must make available to the public, on a regular basis through electronic means and open meeting, and ensure the website contains the following information:

- Local Plan and Modifications, if applicable,
- Board Members and their affiliations,
- Selection of One-Stop Operators,
- Award of Grants or Contracts to Eligible Training Providers of WIOA activities including Youth Programs and Activities,
- Minutes of formal meeting of the Local WDB, and
- Board by-laws, consistent with 20 CFR 679.310 (g)

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