

Cumberlands Workforce Development Board (CWDB) Monitoring

Each local workforce area must conduct regular oversight and monitoring of the activities of contractors and subrecipients.

The Cumberlands Area will monitor the activities of all contractors and subrecipients to ensure compliance with the Act, federal regulations, state policies, procurement standards, policies and procedures of the Cumberlands Area, cost categories and limitations, program quality and outcomes, performance and participant eligibility.

Monitoring will include periodic desk-top reviews of each contract during each program year. Monitoring will take place approximately mid-point during the program year and may occur more than once at any time during the program year. A written report of the results of the monitoring will be prepared and distributed to the service provider within 60 days of the date of the visit. The monitoring report will specify any corrective actions required and an appropriate time frame for the provider to furnish evidence that the corrective action has been taken.

BACKGROUND:

All subrecipients will be monitored both financially and programmatically for compliance and will be evaluated on a regular basis. The Uniform Guidance requires that all subrecipients address risk of the award lifecycle: pre-award, award, and post-award. Staff of the CWDB will report outcomes of the monitoring reports to the board. The board will use the results of monitoring to evaluate the consistency of program results against expected goals. Results from monitoring reviews may also be used to analyze program performance in current and future program funding objectives.

POLICY:

Written reports will be provided to the board summarizing performance, operation, and monitoring of all workforce-related programs. The report will identify areas of concern and noncompliance, as well as outstanding practices and performance. The board shall utilize this information in the decision-making process regarding current and future program procurement(s) changing program direction, and requires corrective action to resolve concerns. In compliance with Uniform Guidance monitoring of post-award phase, the local board is required to identify and remedy any failures with the terms of award of the sub-recipient.

Intended Audience: Local Workforce Development Board (LWDB) members and the local elected officials who are members of the LEO Consortium.

Introduction: Federal guidelines require that all recipients of federal funds authorized under the Workforce Innovation and Opportunity Act be subject to monitoring to ensure that adequate controls are in place.

2 CFR §200.328

"Monitoring and reporting program performance.

(a) Monitoring by the non-Federal entity. The non-Federal entity is responsible for oversight

of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-

Federal entity must cover each program, function or activity. See also §200.331 Requirements for pass-through entities."

2 CFR §200.331(d)

"Requirements for pass-through entities.

(d) Monitor the activities of the subrecipient 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. Pass-through entity monitoring of the subrecipient must include: (1) Reviewing financial and performance reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by

§200.521 Management decision."

Subrecipient vs. Vendor Determination

Guidance on identifying a subrecipient and a contractor can be found by reviewing 2 CFR §200.330:

"Subrecipient and contractor determinations.

The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

(a) Subrecipients. A subaward is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship with the subrecipient. See (1) Determines who is eligible to receive what Federal assistance;

(2) Has its performance measured in relation to whether objectives of a federal program were met;

§200.92 Subaward. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (3) Has responsibility for programmatic decision making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

(b) Contractors. A contract is for the purpose of obtaining goods and services for the non-federal entity's own use and creates a procurement relationship with the contractor. See

§200.22 Contract. Characteristics indicative of a procurement relationship between the non-federal entity and a contractor are when the contractor: (1) Provides the goods and services within normal business operations;

- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

Use of judgment in making determination. In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics **Guiding Principles:**

(c) listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract."

- All incurred expenses must be supported by adequate documentation. (Conference or meeting agendas, invoices, hotel bills, receipts, etc.) See 2 CFR §200.302.
- CWDB and its fiscal agent are custodians of federal funds, which must be safeguarded and used only for legitimate business purposes.

Program and Contractor Performance

The CWDB is provided regular reports concerning the performance and operation of the workforce related programs and contractors. These reports include:

- Reports on program performance against plan, expenditures and applicable performance standards and goals as well as required reports from the separate funding streams and review LCADD's monitoring self-evaluation.

- Summaries of individual contractor monitoring reports, including corrective actions taken to resolve problems; and
- When requested, the contractor audit information.

The CWDB is responsible for coordinating service delivery in the thirteen county Cumberland Area to ensure that the greatest number possible of participants are served in workforce related programs.

The LCADD has been designated as the fiscal agent to monitor the operation of services funded under the WIOA, and any other workforce related federally funded projects. This monitoring activity contributes to the goal to develop a state/local strategic planning, evaluation and accountability for the State's workforce development programs and activities.

Staff members assigned to the LCADD Workforce Development Department, other LCADD staff members such as; accounting staff and contracted service staff will carry out program and financial monitoring activities. LCADD's Executive Director will allocate resources to the monitoring function as necessary and reasonable to meet requirements as established by the CWDB and the rules and regulations of each program administered.

All workforce development monitoring activities will be carried out through the direction of the CWBB and the CWDB Executive Director.

Purpose

The purpose of oversight and monitoring is to determine if the CWDB's program contractors are operating in compliance with all applicable laws, state and federal regulations and the CWDB Policies and Procedures. Both financial and programmatic compliance must be evaluated to a periodic basis. This will be used by the CWDB to determine the consistency of program performance against contractual program goals.

Oversight

The CWDB conducts oversight of the Workforce related programs. The CWDB reviews operations of all workforce related programs under their authority. This includes a specific review of all program and contractor performance. Written reports are provided outlining performance, operation and monitoring of all workforce related programs. The board, in turn, use this information in their decision-making process in program procurement, changing program direction and in requiring corrective action to resolve problems.

The Cumberland Workforce Area will perform a review of financial reports, invoices, and a budget/expenditure analysis will be conducted to determine the accuracy of expenditures by cost category, cost limitations, and in compliance with the contractual agreement.

The need for technical assistance is determined through on-site monitoring visits and desktop monitoring performed by state monitoring.

Technical assistance will be provided by the Division of Technical Assistance, Department of Workforce Development. Technical assistance is viewed as a preventive mechanism and will be provided on an as-needed basis.

The CWDB Executive Director and Direct Service Provider Program Manager charged with program oversight will review response to monitoring finding and planned corrective actions to determine the adequacy of the response. If necessary, management will consult with appropriate resource persons and department staff to analyze compliance problems and develop further recommendations.

The monitoring tools discussed throughout this section are developed for each specific contract or service activity, and will include compliance checklists that provide a structure for the monitors to evaluate service quality and outcomes.

Monitoring Plan

General information

LCADD staff members will monitor all workforce services provided under the CWDB. The monitoring plan will be developed by LCADD staff based on the CWDB Policies and Procedures, contracts and State and Federal regulations. The monitoring plan will incorporate all of the following:

LCADD staff members will use standard written monitoring programs for assessing the compliance of each contractor. The program will ensure that contractors' program operations and accounting systems are in compliance with:

- Federal/State laws, regulations and other authoritative pronouncements;
- Contractual and grant requirements;
- Proper expenditure of, and accurate accounting for federal/state funds; and
- The overall goal or delivering services effectively and efficiently.

They may expand review of a contractor beyond the scope of the standard monitoring program, as necessary, to ensure program activities and systems are consistent with the intent of the applicable law.

LCADD staff members will review each and every workforce related program under the authority of the CWDB at least once each program year. Follow-up to the review will include a written description of deficiencies and recommended corrective action and quality program enhancements.

Review of summer youth programs will concentrate on program activities, work sites, and training sites during the summer program.

Monitoring Procedures

Fraud and criminal activity. A monitor suspecting fraud or criminal activity on part of an LCADD contractor will notify the CWDB Executive Director. The CWDB Executive Director will notify the Department of Workforce Development.

Transmission of reports. The Program Monitor perform the reviews, identify findings, and make

observations and recommendations. LCADD makes the final determination to accept the monitors recommendations and if follow-up is required to verify corrective action or expand the review. Contractors are required to respond to the reports in writing within ten (10) working days of report receipt. Responses will describe plans for corrective action with a timetable for accomplishing the changes and the staff person and position responsible for carrying out this action. Monitoring reports, contractor replies and corrective action plans will be maintained on file for each contractor for use in follow-up activities, future monitoring and contract performance reviews.

Contractor corrective action. The Workforce Development Director, Direct Service Provider Program Manager and the Program Monitor charged with program oversight will review response to monitoring finding and planned corrective actions to determine the adequacy of the response. If necessary, management will consult with appropriate resource persons and department staff to analyze compliance problems and develop further recommendations. The Program Monitor will be responsible for ensuring that the contractor has taken corrective action as approved by the Workforce Development Director. The Program Monitor will schedule a follow-up review after the time line for correction has been met. The Workforce Program Monitor will make a follow-up visit to ensure the finding has been corrected.

Follow-up and corrective action

LCADD contractors

General. The Program Monitor charged with oversight will schedule follow-up for contractors whose initial review discovered compliance findings. Follow-up will be scheduled after sufficient time to allow the contractor to correct program deficiencies. After a follow-up visit, the Program Director may schedule additional follow-up reviews.

Reports. The Program Monitor will write a report on each follow-up visit to document the contractor's progress in resolving compliance findings or other program operations problems. The transmittal of follow-up reports will follow the same path and time line as the initial monitoring report.

Division of Workforce Services monitoring reports

General. The Cumberland Workforce Development Executive Director is responsible for preparing responses to findings from a review by the Department of Workforce Development. The CWDB Executive Director is responsible for insuring that LCADD's planned corrective actions are accomplished.

Review. The CWDB Executive Director will review the implementation of corrective actions taken as a result of the Department of Workforce Development monitoring report.