



Sub-State Monitoring Plan

NEMO WDB Issuance 17-2020

Effective: July 1, 2020

Monitoring Scheduling

All subcontractors shall be monitored by the staff of the NEMO Workforce Development Board for each program they operate, at least annually for all WIOA related and certain non-WIOA related operations in the Northeast Region. Due to turnover in staff, the new state case management system, and changes in policies, a continuous improvement process was put in place in PY 2018 for programmatic monitoring. NEMO WDB began monitoring a combination of full file and desktop review throughout the program year. This proactive measure allows the WDB and program operators to offer technical assistance and training to staff in a timely manner.

The Monitoring schedule and sample size will be in accordance with OWD Issuance 12-2019 Statewide Sub-State Monitoring Policy. When an onsite review will take place, the Subcontractor shall be notified of the intended dates of scheduled monitoring at least two weeks prior to the date of the visit whenever possible. The NEMO WDB reserves the right to conduct unscheduled monitoring in conjunction with or in response to investigations of misfeasance and/or malfeasance or previous monitoring findings.

Programmatic, Fiscal, and Operational Monitoring will be conducted to measure compliance with WIOA regulations and OWD Policies. Monitoring will include a comprehensive examination of compliance issues cited in prior State and Region reviews and the determination where corrective measures were taken to address and resolve those issues.

- **Responsible Representative** –The Operations/Program Coordinator also serves as the EO Officer for the Board and performs the programmatic and EO monitoring of the sub-contractors, with assistance from other office staff as needed. The Fiscal Officer will be responsible for oversight and monitoring of the Sub-Contractors Fiscal Operations. These are WDB staff positions and they report to the Executive Director. The Executive Director will ensure independence from the duties or system monitored.
- **Accountability** – The Local Board and the Chief Elected Officials are responsible, in partnership, for oversight of all Programs as the designated Grantee. The Operations/Program Coordinator and Fiscal Officer will submit their respective monitoring reports to the Executive Director who will then share the report with the One-Stop Committee for review. This report must be submitted annually. The One-Stop Committee will advise the Board and CLEO at the next scheduled Board Meeting of the results of their review. (WIOA sec 107 (d)(8))
- **Compliance and Performance** – NEMO WDB Staff, will perform an annual monitoring regarding compliance with the terms and conditions of each contractual scope of work. All problems must be resolved by prompt and appropriate corrective action (20 CFR 683.420(a)).

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- **Compatibility** Monitoring will cover the adequacy of assessment, planning of activities and services, coordination of the One-Stop system partners to meet the comprehensive needs of customers and customer outcomes. As required by WIOA, when any problems or issues are identified, prompt and appropriate corrective action will be taken.
- **Quality Assurance** – A variety of monitoring methods will be utilized. These may include questionnaires, interviews of customers, employers, One-Stop Operators, and Job Center staff. Monitoring reviews may include on-site visits to subsidized employer worksites as required, desktop reviews using the Office of Workforce Development (OWD) Statewide Information Management System (MoJobs) and available reports and data accessed through MoPerforms; as well as hard copy file review of participant and employer records. This will include comprehensive examination of compliance issues cited in prior federal, State, and local reviews. As required by WIOA, when problems are identified, prompt and appropriate corrective action will be taken. A corrective action plan will be put in place and monitored on a regular basis to ensure that no further technical assistance is required.
- **Risk Assessment** – Prior to issuing an award under WIOA Title 1, and annually thereafter, NEMO WDB is required to conduct a risk assessment to assess the organization's overall ability to administer Federal Funds as required under 2 CFR 200.205. As part of the assessment, the LWDB may consider any information that has come to its attention and will consider the organization's history with regard to management of other grants. NEMO WDB has developed a Risk Assessment Tool that will encompass financial stability, quality of management systems and standards, history of performance, timeliness of compliance, reports and findings from audits, and ability to implement, effectively, statutory, regulatory, or other requirements. This Risk Assessment will be completed each program year **by the end of the 3rd Quarter**. NEMO WDB will allow the sub-contractor to self-evaluate themselves in each category, then NEMO WDB will add comments prior to submitting to the One-Stop Committee and Executive Committee for review. The final report will be reviewed and approved by the NEMO Workforce Board annually.
- **Additional Monitoring Required** - .Additional financial and programmatic monitoring must be performed on all stand-alone programs or other special initiatives. This monitoring will be administered in accordance with the contractual scopes of work. These policies are to supplement existing monitoring duties and must be conducted during program operation to assure accountability and transparency of expenditures.
- **Methodology and Target Universes** - A random sampling of files from **every funding stream** will be selected to test eligibility and compliance in every funding stream for which there is a contract with OWD. Programs funded by other Grantors will follow the monitoring requirements in the respective Scope of Work. The statewide data management system will be utilized to obtain the random samples. When reviewing WIOA Adult and Dislocated Worker participant records, the two funding streams will be combined, and then sampled by service. In addition, NEMO WDB must monitor a separate, statistically valid sample of Adult and Dislocated Worker participants enrolled in ~~any~~ each of the following services:
 - Classroom Training
 - On-the-Job Training
 - Work Experience/Internship/Apprenticeship
 - Support Services/Needs-related payments
 - Any other service that results in direct payment made to, or on behalf of, a participant

SAMPLE SIZE

The following sample sizes are required, at a minimum, depending on the universe to be reviewed. Sample size may be increased as necessary based on the results of the Risk Assessment.

Universal Sampling Size		
From	To	# of Files to review
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 random sampling with a confidence level of 90 percent and a margin of error of 8%

PROGRAMMATIC MONITORING REQUIREMENTS

- The Local Monitor will, in accordance with OWD Issuance 12-2019 review participant records for, at a minimum,
 - Documentation of participant eligibility and/or priority for the program and services received;
 - Orientation to services;
 - Signed acknowledgement from the participant that notification of complaint and grievance rights and procedures were received;
 - 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);
 - Appropriate data entry and posting of outcomes, including attainment of a degree or certificate and any supplemental employment data; and
 - Any other applicable Data Elements.

- In Addition, Local Monitor must ensure Youth Monitoring procedures account for WIOA requirements, such as:
 - The current Out of School (OSY) percentage 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 limit, and

* *The WIOA requirement expenditures on OSY may be subject to adjustment due to federal waiver.*

- Personnel Systems: The monitoring staff may review one or more personnel records of individuals paid through contracts with the NEMO WDB. The purpose of this review shall be to ascertain if subcontractor staff:

- Possess the education and experience noted in proposals submitted to the WDB;
- Expend the time on contract related activities charged against the contracts being monitored;
- Have documentation of capacity building efforts on their behalf; and
- Have signed complaint and grievance procedures on file.

* *Confidential information, such as disciplinary action and service reports are not considered relevant to normal monitoring and should be stored in a closed envelope within the personnel file.*

- EEO and ADA Compliance - NEMO WDB monitoring staff shall survey the subcontractor's hiring practices, promotion practices, facilities, and outreach and intake procedures to ascertain the subcontractor's compliance with the Equal Employment Opportunities and the Americans with Disabilities Acts.

PROGRAMMATIC MONITORING PROCESS

Step 1: The Local Monitor will determine the timeframe to monitor and will pull a report from MoJobs to determine the sample size required for each funding stream.

Step 2: A sample list will be created by randomly selecting the number of files required.

Step 3: The Sub-Contractors will receive the list of files to be monitored from the Local Monitor.

Step 4: The Local Monitor will begin the desk review and enter comments and concerns in the Electronic Monitoring Tool.

Step 4: When the desktop review is completed, the Monitoring Tool with comments/concerns, will be forwarded to the Sub-Contractor. They will review the Monitoring Tool and respond to the Local Monitor within 10 business days. The response from the Sub-Contractor will include corrections made or reasons why a correction could not be made. The Local Monitor will review the comments and, if they are acceptable, will advance to the full file monitoring. If not acceptable, the Local Monitor will work with the Sub-Contractor until the issue is resolved.

Step 5: The Local Monitor will request files for the Full File Review.

Step 6: The Local Monitor will record any comments, concerns, or recommendations on the Monitoring Tool. The Local Monitor will also add comments regarding Best Practices found during the review.

Step 7: The Local Monitor will review everything with the Sub-Contractor. The Sub-Contractor will have 10 business days to resolve any issues found. The Sub-Contractor will place their comments into the Monitoring Tool and return to the Local Monitor. If more time is needed to complete the response, the Sub-Contractor may request an extension, along with the justification, in writing to the Local Monitor and Executive Director.

Step 8: When the response is received from the Sub-Contractors, The Local Monitor will produce a written monitoring report for each subcontractor and submit to the Executive Director for review. The report will outline, at a minimum:

- ◆ the activities which were monitored;
- ◆ the systems which were monitored;
- ◆ individual participant files which were found to contain errors;
- ◆ monitoring findings; and
- ◆ recommended corrective action, including training and technical assistance

- ◆ regional and subcontractor performance
- ◆ contract concerns
- ◆ best practices
- ◆ recommendations

Step 9: The Executive Director will compile the Annual and Quarterly Reports of the Sub-Contractors, which will include Performance Measures, Expenditure and Contract Performance and the Fiscal Monitoring Reports.

Step 10: The final reports will be presented to the One-Stop Committee

The One-Stop Committee will review the monitoring report, the subcontractor's response and may:

- Accept the subcontractor's response
- Reject all or part of the response and/or require resubmission of the response
- Require additional corrective action, or
- Recommend the institution of sanctions against the subcontractor to the NEMO WDB.

If the One-Stop Committee recommends sanctions, the WDB shall take up the recommendation at the next scheduled WDB meeting or the WDB Chairperson may call a special meeting of the WDB to consider the recommendation.

Step 11: The NEMO WDB and CLEO may accept or reject the summary monitoring report, or may request additional information regarding all or part of the report. When the NEMO WDB and CLEO is satisfied that the process has been satisfactorily completed, they will either accept the original, amended or substitute summary report, and move for suspension of monitoring.

The One-Stop Committee, along with the WDB and CLEO's, may want to consider this information when reviewing eligibility for and recommending the selection of Title I subcontractors, One-Stop Operators and operators of other programs assigned to the Board.

NOTE: As this report will be considered a public document, names of participants will not appear in the final report presented to the Board and Committees of the Board.

DATA ELEMENT MONITORING PROCEDURES

NEMO WDB must conduct **quarterly** Data Element Validation (DEV) reviews of exited files to ensure the integrity of performance outcomes as required by 2 CFR 200.303. The DEV review will be performed to conform to the State procedures complying with WIOA Section 116(d)(5)7 and federal guidance TEGL 07-18. This review is to verify that the performance data elements reported by Missouri are valid, accurate, reliable, and comparable across programs. The review is to identify anomalies in the data or missing data, to resolve issues that may cause inaccurate reporting, and to improve program performance accountability through the results of data validation efforts.

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

NEMO WDB will follow the same process as the Programmatic Monitoring for reporting to the Sub-Contractors, One-Stop Committee, WDB and CLEO.

EXITED SAMPLE SIZE		
From	To	# of Files to review
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

Financial Procedures Review

At least once during each program year, the WDB financial monitoring staff shall conduct an on-site Financial Monitoring Review (FMR) of each program operator's financial procedures and systems to ensure fiscal integrity and compliance with WIOA Section 184(a)(4), Fiscal Controls; Sanctions, Establishment of Fiscal Controls by States, Monitoring, 2 CFR 200.328, Monitoring and Reporting Program Performance, and 2 CFR 200.331, Requirements for Passthrough Entities, and additional requirements as issued by DWD.

In addition, funds intended to support adult, dislocated worker, youth, Job Center Cost Share and Infrastructure Cost Share, stand-alone summer youth programs or any other special initiatives will be monitored in accordance with contractual scopes of work. The FMR must ensure that the Subrecipient meets the terms and conditions of the sub award and the fiscal goal or requirements, and that all amounts reported are accurate and allowable, allocated properly, and supported by documentation.

The monitoring shall be completed using a standardized monitoring instrument, which may be customized to meet special contract provisions. This review shall include a sampling, covering at least one-month's activities, and shall consist of the following procedures: (Note: *More than one month may be required based upon the Risk Assessment and/or findings in the first month audited. NEMO WDB reserves the right to request supporting documentation for as many months as necessary to resolve the issues.*):

1. Tracing reports to books (contract progress reports to original books);
2. A review of excess cash and review cash for interest earned on advances;
3. A review of trial balances and bank reconciliations;
4. An examination to assure that FDIC coverage and collateral security are adequate for cash on hand;
5. An examination of inventory records;
6. A review of bonding policy;
7. A check on internal controls and separation of duties;
8. Audit resolution/management decision

9. An examination to determine if program income exists, is being accounted for and reported in accordance with applicable requirements;
10. A review and interview to ensure that staff is following the proper guide for determining costs applicable to WIOA (OMB Circular) and WIOA procurement guidelines;
11. A review of the cost allocation system;
12. A regular examination of expenditures to test transactions against cost categories, cost limitations, and;
13. A review and certification the procurement process is in compliance with the WIOA and NEMO WDB procurement system guidelines;
14. A determination if stand-in costs exist and are being accounted for; and
15. A review of records to ensure proper source documents exist.
16. A review of bank balance to ensure that cash drawn from NEMO WDB is not in excess of expenditures.
17. A review to determine that WIOA expenditures and revenue and all other programs funded through OWD are allocated properly vs. other program funding streams, i.e. TANF SkillUp, Youth Jobs League,

The financial monitoring will result in a written monitoring report, prepared by the Fiscal Officer and submitted to the Executive Director for review. The report will be submitted to the program operator, along with any findings and/or recommendations. If there are in findings, the program operator will be required to submit a corrective action plans to the Executive Director and Fiscal Officer within 14 business days after the program operator receives the written monitoring report. Corrective Actions must be satisfactorily implemented within 3 months of the finding. If that is not possible, the subcontractor must submit a request for extension, along with justification, to the WDB Executive Director.

A final report will be prepared and presented to the WDB Board and CLEOS for approval annually.

NOTE: Depending upon the finding or concern and the Risk Assessment, NEMO WDB may elect to monitor all or specific areas on a more frequent basis. Subsequent monitoring will review prior financial monitor reports and investigate any prior findings and their resolution.

More detail on Subrecipient Financial Monitoring is found in the NEMO WDB Accounting Procedures Manual (Attachment 10 of the Local Plan).