



Sub-State Monitoring Plan

NEMO WDB Issuance 17-2020, Change 2

Effective: December 22, 2021

Monitoring Reports

Quarterly - The following reports will be presented during each regularly scheduled board/CLEO meeting and documented in meeting minutes:

- * Programmatic Monitoring
- * Financial Monitoring
- * Equal Opportunity Monitoring
- * Performance Reviews

Annual - The following reports are required to be submitted to the Subrecipients by June 30 of each program year.

- * Programmatic Monitoring
- * Financial Monitoring, Including the Subrecipient Risk Assessment
- * Equal Opportunity Monitoring
- * One-Stop Operator Monitoring

- Each report must be addressed to the Subrecipient, include the date issued, the timeframe of monitoring, all identified issues, the corrective action, along with an explanation of the required corrective action, and a deadline for completion (by the Subrecipient) of the corrective action.

Annual – The following annual reports will be presented to the Board/CLEO and documented in meeting minutes prior to voting on contract awards and extensions.

- * Programmatic Monitoring
- * Financial Monitoring, Including the Subrecipient Risk Assessment
- * Equal Opportunity Monitoring
- * One-Stop Operator Monitoring
- * Performance Review Monitoring
- * Special Initiatives/Grants Monitoring

These reports include the Sub-State Monitoring results, compliance concerns, adequacy of assessments and appropriate corrective actions. Reports will identify areas of noncompliance and corrective actions taken or required for improvement based on WIOA regulations, planning of activities and services, and coordination with One-Stop Delivery System partners to meet the comprehensive needs of customers, and customer outcomes.

Monitoring Scheduling

All Subrecipients shall be monitored by the staff of the NEMO Workforce Development Board for each program they operate, at least quarterly 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's Statewide Sub-State Monitoring Policy. When an onsite review will take place, the Subrecipient 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.

1. **Responsible Representative** – The NEMO WDB does not operate programs. All programs are contracted and operated by Subrecipients. The Operations/Program Coordinator, EO Officer and Fiscal staff, who operate independent of the duties and systems being monitored, will be responsible to perform the programmatic, fiscal, and EO monitoring on a quarterly basis. The NEMO WDB Executive Director will review all monitoring to ensure independence from the duties or system monitored.
2. **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, 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. **As of August 2020**, the Subrecipients began uploading source documentation into the Statewide Management System, which relieves the WDB monitors from traveling to the sites. The Monitors are able to access the Participant Record along with supporting documentation via the Statewide Information Management System. The monitoring 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.
3. **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. NEMO WDB has developed a Risk Assessment Tool that will encompass the Subrecipients: (1) history with regard to management and conformance to terms and conditions of previous awards and/or other grants; (2) financial stability; (3) quality of management systems and standards; (4) history of

PAGE 2

performance; (5) timeliness of compliance; (6) reports and findings from audits; and (7) ability to implement, effectively, statutory, regulatory, or other requirements. This Risk Assessment will be completed each program year following completion of all monitoring activity and presented to the WDB/CLEO for review, prior to contract awards.

4. **One-Stop Operator** – NEMO WDB is required to conduct an annual review of their one-stop operator to ensure compliance with the requirements 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 Scope of Work (SOW), performance reporting requirements, and the terms and conditions of the contract or agreement governing the one-stop operator. NEMO WDB will utilize the [One-Stop Operator Monitoring Tool](#) provided by OWD.
 - If it is determined that the one-stop operator is not meeting expectations, corrective action must be taken, which may include contract termination.

5. **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 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 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 including all applicable paperwork/documentation;
 - Work Based Learning including all applicable paperwork/documentation
 - Posting of outcomes, including the attainment of a degree or certificate, measurable skill gain, and supplemental employment data;
 - Examination of historical change requests;
 - 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.
 - Compliance issues cited in prior Federal, State and Local reviews.
 - Determination if prior corrective measures have proven effective.

- In Addition, Local Monitors 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

* The Executive Director checks this on a monthly basis and reports to the Local Monitor if there is an issue.

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

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. Normally, NEMO WDB is required to monitor 100% of records.

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

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

Step 4: The Local Monitor will begin the review and enter comments and concerns in the Electronic Monitoring Tool. Most of the documentation is uploaded in the State Case Management System. If there is missing documentation it will be requested of the Sub recipient.

PAGE 4

Step 5: The Local Monitors will forward the monitoring tool to the Subrecipient. The Subrecipient will have 10 business days to resolve any issues found. The Subrecipient will place their comments into the Monitoring Tool and return to the Local Monitor. If more time is needed to complete the response, the Subrecipient may request an extension, along with the justification, in writing to the Local Monitor and Executive Director.

Step 6: When the response is received from the Subrecipients, The Local Monitors will produce a written monitoring report for each Subrecipient 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 Subrecipient performance
- ◆ contract concerns
- ◆ best practices
- ◆ recommendations

Step 7: The Executive Director will compile the Quarterly Reports of the Subrecipients, which will include Performance Measures, Expenditures, Contract Performance and the Fiscal Monitoring Reports. The quarterly and annual reports will be presented to the One-Stop Committee via electronic method for review.

Step 8: The One-Stop Committee will review the quarterly and annual monitoring report when received, along with the Sub recipient's response and may:

- Accept the Subrecipient' 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 Subrecipient to the NEMO WDB.

If the One-Stop Committee recommends sanctions due to findings in the report, the Committee shall take up the recommendation with the Executive Committee. If the Executive Committee agrees with the recommendation, the Board Chair will present the Committee's recommendation at the next scheduled WDB meeting or may call a special meeting of the WDB to consider the recommendation.

The quarterly reports will normally be sent to the Board and CLEO prior to each Board meeting for information only. If the Executive Committee determines there are issues that need to be addressed with the Board and CLEO in the quarterly reports, it will be placed on the Board agenda for further discussion and approval.

The annual final reports will identify areas of noncompliance and corrective actions taken or required for improvement based on WIOA regulations. The final report will not include the comments and/or concerns that were cleared during the monitoring process, but those comments and/or concerns will be referenced and the full monitoring report with all comments/concerns will be available upon request. If a disallowed cost is identified during the sub-state monitoring, it will be reported to the Board and CLEO regardless of corrective actions that have been taken and/or resolved.

To fulfill the annual agreement, The Annual Monitoring Report will be shared with the Board and CLEO during the Board meeting following the completion of the Program Year's Sub-State Monitoring. The One-Stop Committee, along with the WDB and CLEO's, will consider this information, along with the Risk Assessment, when reviewing eligibility for and recommending the selection of Title I Subrecipients and One-Stop Operators.

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.

The number of sample records to be reviewed will be downloaded from the system generated data element sheets in the Statewide Case Management System. Staff will use the latest PIRL document, OWD issuances, and TEGL 23-19 to validate the required elements. The Data Validation will be conducted after the 15th of each of the following months – October, January, April, and July to align with the end of reporting for the previous quarter. 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 date, if applicable. The processes followed for monitoring and review/approval will be the same as in the Programmatic Monitoring section.

Financial Monitoring

Financial Monitoring Review will be performed quarterly and will be reported to the WDB. The quarterly financial monitoring review will consist of:

- i. Work Based Learning Timesheets: Ensure payment to participant occurred on a timely basis and all of the information is accurate.
- ii. Individual Training Account: Ensure payment to training provider occurred in a timely manner and all of the information is accurate.
- iii. Supportive Services: Ensure all documentation is correct and payments to providers and/or participants occurred in a timely manner.

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), 29 U.S.C. 3244(a)(4), annual OWD agreements, and 2 CFR Part 200 and Part 2900.

The FMR must include, but is not limited to, reviews of the following process:

- i. Audit Resolution/Management Decision;
- ii. Financial Reports;
- iii. Internal Controls;
- iv. Source Documentation;
- v. Cost Allocation/Indirect Costs;

- vi. Cash Management; and
- vii. Procurement.

The Subrecipients in NEMO Region are required to submit their supporting documentation with their contract reporting each month which allows the Fiscal contractor and the Executive Director an opportunity to sample Subrecipient financial records/reporting on an ongoing basis.

The annual financial 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 follow the procedure outlined in the NEMO WDB Accounting Manual. The annual FMR ensures the Subrecipient meets the terms and conditions of the sub award and the fiscal goal or requirements, and that amounts reported are accurate, allowable, supported by documentation, and properly allocated.

(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.): Financial monitoring will be completed on stand-alone grants in the same manner according to their specific Scope of Work.

The annual 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 findings, the program operator will be required to submit a corrective action plan 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 Subrecipient must submit a written request for extension, along with justification, to the WDB Executive Director.

For the Financial Monitoring, the review and approval process will follow the same steps as the Programmatic Monitoring. (Steps 5-8)

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.

Equal Opportunity Monitoring

The Local WDB Equal Opportunity Officer is responsible for coordinating a recipient's obligations under 29 CFR Part 38, Section 188 of WIOA and the Nondiscrimination Plan. The EO Officer must conduct **quarterly** 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 must include:

PAGE 7

- 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 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
- III. 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.

In Addition, Required EO monitoring responsibilities include, but are not limited to:

1. Monitoring and investigating the Subrecipients activities, and the activities of the entities receiving WIOA Title I-financial assistance on behalf of the Subrecipient. Entities include contracted Service Providers (One Stop Operators, Adult/Dislocated Worker/Youth program providers), Eligible Training Providers (ETPs), On-the-Job Training (OJT) employers, Work Experience employers, and any other recipients defined under 29 CFR 38.4(zz). Monitoring is to ensure the recipient and its Subrecipients are not violating their nondiscrimination and equal opportunity obligations under WIOA Title I, which includes monitoring the collection of data required in Section 188 of WIOA to ensure compliance with the nondiscrimination and equal opportunity requirements of Section 188 of WIOA, 29 CFR Part 38 and the Missouri Nondiscrimination Plan which includes the following sections and elements:
 - i. Sections I: Assurances (29 CFR 38.25 through 38.27);
 - ii. Section II: Equal Opportunity Officers (29 CFR 38.28 through 38.33);
 - iii. Section III: Notice and Communication (29 CFR 38.34 through 38.39);
 - iv. Sections IV: Data and Information Collection and Maintenance (29 CFR 38.41 through 38.45);
 - v. Section V: Affirmative Outreach (29 CFR 38.40);
 - vi. Sections VI: Complaint Processing Procedures (29 CFR 38.72 and 38.73);
 - vii. Section VII: Governor's Oversight Responsibilities Regarding Recipients' Recordkeeping (29 CFR 38.51 through 38.53);
 - viii. Additional Element Sections (29 CFR 38.54);
 - ix. Element I: Review for Compliance under WIOA Section 188 with Policies/Contracts/Assurances;
 - x. Element II: System to Ensure Compliance with WIOA Section 188 for Recipients;
 - xi. Element III: A System for Reviewing Recipients' Contracts, Assurances and Other Agreements;
 - xii. Element IV: Ensuring Compliance with WIOA Section 188;
 - xiii. Element V: Compliance with Federal Disability Nondiscrimination Laws;
 - xiv. Element VI: Training for Compliance under WIOA Section 188;
 - xv. Element VII: Corrective Actions and Sanctions; and
 - xvi. Element VIII: Supporting Documentation for the NDP.

Local EO Officers are responsible for monitoring small service providers (ETPS, OJTs, Work Experience employers only) defined under 29 CFR 38.4(hhh), which includes monitoring the small service provider for adopting and publishing complaint procedures and processing complaints, in accordance with Section 188 of WIOA, 29 CFR Part 38 and the Missouri Nondiscrimination Plan.

2. The EO Officer is also responsible to review the NEMO WDB written policies to make sure those policies are nondiscriminatory.

Additional Responsibilities

To ensure the Board and staff are conducting business in an open and transparent manner, the Board is required to make available to the public, on a regular basis through electronic means (website www.nemo.wib.org) and open meeting the following information:

- Local Plan and Modifications
- 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 meetings of the Local WDB, and
- Board By-Laws, consistent with 20 CFR 679.310 (g)