

MERCED COUNTY WORKFORCE DEVELOPMENT BOARD

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POLICY BULLETIN

MCWDB PB # 20-21	Date Released: December 08, 2021
To:	All Merced County Workforce Development Board Staff and Service Providers
From:	Erick Serrato, Director, Merced County Workforce Development Board
Effective Date:	December 08, 2021
Subject:	Monitoring and Compliance Reviews
Responsible Official:	MCWDB Executive Director

PURPOSE

The policies/procedures set forth in this document provide guidance for the overall implementation and administration of Monitoring and Compliance Reviews by the Merced County Workforce Development Board (MCWDB) staff. The goals of these procedures are two-fold:

- I. to establish a uniform monitoring process; and
- II. to ensure a high level of program quality.

BACKGROUND

The MCWDB, pursuant to the Workforce Innovation and Opportunity Act (WIOA) of 2014, bears the responsibility of assuring the program and fiscal integrity of all WIOA sponsored employment and training programs. The law requires each Local Workforce Development Area (LWDA) to develop and implement procedures that provide “checks and balances” of all WIOA Title I programs. In keeping with the intent of the legislation, the MCWDB is responsible for the programmatic and fiscal oversight of all grant-supported activities. Assurances of contract compliance with Federal, State, and local requirements and the safeguarding of Federal funds are accomplished through diligent and methodical contract compliance reviews.

PROCEDURES

The MCWDB will monitor all service providers for programmatic and fiscal accountability at least once per program year. The MCWDB Director has the discretion to increase the frequency. Additionally, compliance reviews will be conducted on the following types of program activities: On-the-Job Training (OJTs) employer sites, Eligible Training Service Providers, One Stop Memorandum of Understanding (MOU) partners, and Special Services Contracts. All monitoring reports will be held on file for a minimum of five (5) years and will be made available for review by appropriate agencies.

Monitoring will ensure that service providers perform in accordance with the terms, conditions, and specifications of their contracts, MOUs, and/or agreements. The monitoring process for service providers will include an entrance conference, desk review, an on-site visit, an exit conference, and a formalized written report. Compliance reviews of program activities are delineated in the Compliance Reviews section of this policy. If federal, State, or local emergency declarations are in effect, the monitoring process may involve virtual components.

Fiscal oversight will be performed through a review of invoices and supporting backup documentation. All costs will be reviewed to ensure that expenditures are charged to the appropriate cost categories and are necessary, reasonable, and allowable. A monitoring checklist may be developed from the contract's Work Statement or other sources such as a contract's Work Plan Narrative or WIOA implementing regulations.

The monitoring process will verify that:

- I. Programs are operated in compliance with WIOA /State/Local rules and regulations;

- II. Fiscal integrity is in place by verifying that WIOA funds are being utilized for allowable activities and that proper fiscal records are maintained and auditable;
- III. The training environment is safe and healthful for participants and staff;
- IV. An effective system is in place to handle Equal Employment Opportunity issues;
- V. Grievance procedures are in place;
- VI. Employee displacement does not occur;
- VII. A system prohibiting political / sectarian activities is in place;
- VIII. Technical assistance is available to the provider; and,
- IX. Quality training is provided through site visits and customer satisfaction surveys.

Desk Review

The monitoring process starts with the desk review. The desk review is an analysis of various client and service provider documents, i.e., the clients' Individual Employment Plan (IEP) for Adults and Dislocated Workers, or Individual Service Strategy (ISS) for Youth, comprehensive assessments, attendance records, supportive services, case notes, and the service providers' performance, to include pre-award surveys, fiscal records, general liability, and workers' compensation insurance certificates. The desk review of service, training, and employment providers supplies an overall assessment of how well the participant was case managed, matched to the training provider, and/or provided appropriate training services, and provides a status of how well the participant(s) performed or is currently performing. The review may point to current or potential problem areas, which would serve as a basis for prioritizing on-site visits and developing questions to ask during the on-site visit.

Fiscal Monitoring: During the desk review, a fiscal assessment will be conducted to ensure adequate fiscal accountability and management standards exist. Reimbursement invoices submitted by the service provider for payment will be checked against the contract's budget. The fiscal desk review will address the following:

- I. Are all costs associated with the contract reasonable, necessary and allowable?
- II. Are all costs charged to the correct WIOA category?
- III. Is there verification that all invoices have been submitted in a timely manner and that backup documentation is complete?
- IV. Is there verification that invoices have not exceeded the contract budget or that appropriate budget modifications have been received and authorized by the appropriate signatory(s)?

Fiscal expenditures will be reviewed for allowable costs and compared against the budget and budget narrative of the contract. Fiscal monitoring may be performed in conjunction with scheduled programmatic monitoring or by an independent review. Fiscal monitoring will look at a representative and random sample of fiscal documentation; however, it should be of sufficient size and substance to make an objective evaluation. The review should cover the following areas:

- I. Sampling invoices for appropriate support documentation for all expenditures.
- II. Review of time studies for staff charged to the contract on a percentage basis. Also, check for signatures.
- III. Internal controls – separation of duties.
- IV. Equipment inventory and safeguards.
- V. Incident reporting, i.e., fraud, waste, and abuse.
- VI. Procedures for control of check writing.
- VII. Sub-recipient Independent Single Audit reports.

Participant File Review: A sample of participants' files (usually a minimum of 5% to 10%) will be selected for review.

Entrance Conference

During the entrance conference, the purpose of the Monitoring will be addressed. The length of the monitoring needed support documentation or any questions generated from the desk review is normally covered at this time. In an effort to streamline the time involved in the monitoring process, the contractual obligations and State and Federal requirements will be assessed.

The On-Site Visit

The on-site visit provides the opportunity to observe the work and training site environments first hand and provides a view of day-to-day activities/programs that are not obtainable through a desk review. The on-site visit will include the monitoring of:

- I. Worksite:
 - A. Supervision according to contract
 - B. Health and Safety
 - C. Equipment according to contract (materials, tools, uniforms)
 - D. Accommodations such as break areas and restrooms
- II. Classrooms:
 - A. Learning environment (light, temperature, space, furniture, noise, health, and safety)
 - B. Equipment and supplies per contract
 - C. Attendance records
- III. General Administration:
 - A. Accessibility to the Disabled
 - B. Records and records retention
 - C. EEO (Equal Employment Opportunity)
 - D. Job vacancy announcements posted
 - E. Working environment (light, temperature, space, furniture, noise, health, and safety)
 - F. Sectarian Activities
 - G. Political Activities
 - H. Grievance procedures
- IV. Property:
 - A. WIOA property properly labeled and inventoried
 - B. Property being used in accordance with the contract
 - C. Are buildings and facilities paid for by contract funds being used for project purposes?
 - D. Randomly check to determine if proper care and attention are being given to the maintenance, repair, protection, and preservation of WIOA property

Interviews with participants and staff provide valuable information concerning the program's administration and operation. Many factors contribute to the success of a monitoring interview. The following major points encompass the interviewing process.

- I. Prior to the interview: The monitor will become familiar with the client's ISS or IEP, case notes, and pertinent information in the client's working file. Questions generated through the initial desk review should be prepared and added to the interview checklist. Familiarization with the service provider is also beneficial. Information such as prior contracts with the provider, wages offered, advancement opportunities, weekly work hours/course hours, etc., should be ascertained. Such information provides a historical and current performance picture of the service provider.
- II. During the interview: The purpose of the monitoring will be explained to the service provider and participant. A standardized interview questionnaire/survey will be used for both the provider and participant interviews. The interviews also allow the provider or the participant to ask questions

regarding the elements of the program. Questions should be recorded on the interview questionnaire/survey.

- III. After the interview: Feedback will be provided to the interviewees indicating the major points covered in the interview, and informing the interviewee that he/she can contact the monitor at any time should questions/problems arise.

Exit Conference

The final on-site activity includes an exit conference with a representative of the agency being monitored. The monitor should address any areas needing possible corrective actions. During the exit conference the monitor should indicate that the monitoring has been completed and thank the representative for his/her cooperation and the staff's assistance. If technical assistance is needed, a follow-up letter should indicate how and when this assistance would be provided.

Finalizing the Report

After completing the desk review, entrance conference, on-site visit, and exit conference, a written report will be prepared to cover the monitoring activities and provided to the service provider within 30 (thirty) days of the Exit Interview. Each monitoring report will be assigned a report number and clearly state the employer/training provider's pertinent information, such as name, the contract number(s), participant name(s), and the date(s) of the monitoring. Recommended corrective actions: Areas of non-compliance will be specified in the report and identified as 'Findings.' Written recommendations to correct the Findings will be addressed in the monitoring report, as well as a timeline to fix the Findings.

Follow-up

To ensure that action(s) has been taken to correct deficiencies noted in a monitoring report, the following steps will apply:

- I. When corrective actions are recommended, the monitor will normally give a three-week date for a corrective action response from the provider. The monitor will ensure that one copy of the report and cover letter is forwarded to the provider and one copy is filed. Note: If monetary issues are involved in the findings, a copy of the report will be provided to the MCWDB Fiscal Unit.
- II. Upon receipt of the provider's corrective action plan, the plan will be carefully reviewed to ensure the adequacy of each corrective action. A confirmation letter will be forwarded to the provider indicating whether the implemented corrective is satisfactory. If the corrective actions are adequate, the letter will indicate closure of the discrepancies.
- III. If corrective action is required immediately and is critical to the operation of the program, it may necessitate an additional follow-up visit for the sole purpose of assuring that corrective action has been taken. This will generally take place within two (2) weeks following the monitoring.
- IV. Corrective actions taken by the provider will be followed up during subsequent monitoring visits.

Compliance Reviews

One-Stop MOUs

The America's Job Center of California (AJCC) is a customer-focused system designed to merge the services of various partners into a single network of service providers. Its goal is to enhance the quality and accessibility of workforce development services available to eligible customers.

In accordance with the WIOA, MOUs will be developed between each One-Stop partner and the local Workforce Development Board (WDB). The MOUs are collaborative agreements that stipulate the specific services each partner will provide to eligible customers. The MOUs will be the source documents for the monitoring of the One-Stop

partners. Each partner MOU will be reviewed annually for currency and compliance and to verify compliance with the terms and conditions of the agreement, to include the partner's Resource/Cost Sharing Agreement.

On-The-Job Training (OJT) Contracts

OJT contracts and the employer will be monitored for training dates, wages, employer's insurance (General Liability & Workers' Compensation), reimbursement rates, training outline, and other pertinent information. During the initial scheduling of an on-site visit with the employer, copies of participant time cards, payroll data, insurance policies, or other relevant documentation may be requested.

During the OJT entrance conference, the following items should be addressed with the employer:

- I. The MCWDB's reimbursement policy regarding paid holidays or other non-worked paid hours, i.e., sick leave
- II. The requirement to review each "Skills to be Learned/Learning Objectives" of the training outline with the participant and discuss expectations, and upon completion of the OJT, the training outline must be signed and dated by the provider and returned to appropriate service provider staff
- III. Safety orientation (workplace safety) as required by the OJT contract
- IV. Employer's grievance procedures. (Do participants fully understand their rights to voice concerns and the process to resolve problems?)
- V. State required postings, i.e., EEO, minimum wage, meal times, etc.

Frequency of monitoring: Monitoring OJT employers will occur at least once per program year, per OJT employer, and consist of a sampling of that employer's current program year contracts. A minimum of 10% of each OJT employer's contracts will be selected for review. So that there is an opportunity to interview current participants, at least one (1) of the employers' selected OJT contracts for review shall be from current OJT participants.

Eligible Training Providers

The local WDB, in collaboration with the State, identifies eligible training providers who have met specific training performance criteria. All Adult, Dislocated Worker, and Youth participants shall have access to the State's list of eligible providers. The Eligible Training Provider's list (ETPL) offers customers detailed information regarding each provider's course performance, statistics, and costs. Such information allows the customer to make an informed choice as to which provider he/she will attend. This approach encourages customer choice, which leads to customer satisfaction and successful goal attainment.

Frequency of monitoring: Locally used ETPL providers will be monitored annually. Monitoring will include ensuring instructors maintain proper credentialing or expertise; actual instruction is taking place; instructional equipment and training meets current industry standards; programs provide credentials, certifications and/or skills that employers value within priority industry sectors; and compliance with non-discrimination and equal opportunity provisions. Other monitoring elements may be added at the MCWDB Director's discretion.

Special Services Contracts

Frequency of monitoring: Monitoring of MCWDB Special Services Contracts will be conducted once during the contract's term. The MCWDB Director has the discretion to increase the frequency. Monitoring will ensure that the contract's programmatic and fiscal goals are met while upholding fiscal integrity.