



## Administrative Policy #1006 Local Oversight Policy

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### I. Purpose

West Central Job Partnership (WCJP) is required to conduct and document consistent oversight of their own activities and systematically oversee the activities of sub-recipients and contract service providers which receive federal workforce funds. Oversight includes reviews of the uniform administrative requirements; fiscal requirements; and program performance of the entities administering and delivering services. These activities are reviewed to ensure compliance with federal, state and local requirements; intended program results; and safeguarding of grant funds and other assets.

### II. Background

WCJP will use appropriate oversight methods and resources as required or needed to ensure compliance with the applicable federal and state laws, regulations, uniform administrative requirements, contract provisions/grant agreements, timeliness of corrective actions; identification of technical assistance and training needs; and improvements of program performance, efficiency and outcomes of workforce programs.

Resources available include, but are not limited to: [Workforce Innovation and Opportunity Act \(WIOA\)](#); [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#); and [U.S. Department of Labor Employment and Training Administration \(ETA\) – Core Monitoring Guide, April 2005](#).

### III. Definitions

ADMINISTRATIVE REQUIREMENTS - matters common to grants in general, such as financial management, types and frequency of reports, and retention of records.

AUDITS – a formal process conducted as required or when deemed useful for thorough inspection purposes.

DESK REVIEW – an activity where monitoring, evaluation, and/or audit methods are used to perform the oversight activities of documents submitted by sub-recipients or contractors either prior to or during an on-site visit. Desk reviews allow for the review of programs and related financial and participant data to test compliance in addition to, or as an alternative to, an on-site visit, when allowable; to identify potential or recurring problems; to prepare for more in-depth on-site visits; and to conduct more systematic and continuous oversight.

EVALUATION – a process conducted to assess effectiveness and to promote, establish, implement, and utilize methods for continuous improvement to achieve high-level performance and outcomes.

MONITORING\_ – a process of collecting and analyzing data for addressing oversight of programmatic and fiscal activities, administrative systems, and management practices to determine if such activities, systems, and practices are appropriate, effective, and in compliance with the terms of the sub-award, federal statutes and regulations, state laws, directives and policies; and other requirements upon which the release of funds is conditioned.

ON-SITE VISIT – an activity where monitoring, evaluation, and/or audit methods are used to perform oversight on-site to ensure adequately safeguarded funds; program performance goals are met; program and fiscal compliance; and any other oversight goals and/or needs as deemed useful.

**PASS-THROUGH ENTITY** – A Non-Federal entity that provides a Federal award to a subrecipient to carry out a Federal program.

**PROGRAMMATIC REQUIREMENTS** – matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a program.

**QUESTIONNAIRES** – an activity where staff asks questions to gather information for the purposes of examining the information gathered. Such information is used to help identify compliance violations, questioned costs, or potential weaknesses in performance as well as to capture promising practices or needs for technical assistance. This activity may be performed via telephone, in-person or email communications.

**RANDOM SAMPLING** – An activity where monitoring, evaluation and/or audit methods are used to perform statistically valid processes of selecting pre-defined volumes of samples at random to be used to help identify compliance violations, questioned costs, and/or potential weaknesses in performance.

**SUB AWARD (SUB GRANT)** – an award of financial assistance in the form of money, or property, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract.

**SUBRECIPIENT** – a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

#### **IV. Roles and Responsibilities**

Risk Assessment will be used to determine a timeline for monitoring reviews. WCJP will follow the local Risk Assessment Policy ([Appendix A](#)) in order to determine risk.

*Program Compliance, Performance and Reporting* is conducted to ensure compliance with federal, state, and local requirements and to ensure programs achieve both intended and expected results. Such oversight may monitor, evaluate and/or audit one (1) or more of the following to determine program performance and compliance:

- *Program management and standards; program policies and procedures; service delivery; access to services; participant eligibility; performance measures and program outcomes; services to priority and special populations; record retention and case file maintenance; sub-recipient monitoring activities; supportive services and need related payments; youth activities; data analysis; and data element validation*

*Administrative and Fiscal Compliance and Reporting* is conducted on financial systems, cost limitations and expenditures to ensure grant funding and other assets are adequately safeguarded and that their use follows all other applicable federal, state, and local requirements. Activities used to determine compliance include, but are not limited to, the review and evaluation of one (1) or more of the following:

- **Administrative:** *Local governance; local plans and agreements; local board compliance and certification; PA CareerLink® certification; organizational structure; administrative policies and procedures; sub-recipient capacity to provide oversight; Americans with Disabilities Act (ADA) compliance; non-discrimination and civil rights provisions; equal opportunity requirements; PA Sunshine Act compliance; and Right-to-Know law compliance.*

- ***Fiscal:*** *Fiscal agent responsibilities and activities; fiscal policies and procedures; fiscal plans and agreements; sub-recipient monitoring activities; cost allocation and allowability; resource sharing; cash management practices; procurement practices; internal controls; reporting requirements; closeout procedures; audits; sub-contract compliance; program income and reporting; property management; record retention; Generally Accepted Accounting Principles (GAAP) adherence; and payroll administration*

***Oversight Methods:*** WCJP will utilize oversight methods to identify areas of strengths and weaknesses in sub-recipient, program and/or administrative and fiscal capacity, compliance, performance and other such areas of responsibilities. The following activities may be used by WCJP to uphold their oversight obligations: *On-site visit; Desk review; Random sampling; and/or Survey.*

***Oversight Resources:*** WCJP will use different resources to complete the oversight reviews required by federal and state laws, regulations, and grant agreements.

**TOOLS:** WCJP has developed written monitoring tools that include areas identified by federal and state regulations in addition to more specific requirements of the varying funding streams. All tools include, at a minimum, the following: *name of the agency; name of the individual performing the review; date of the on-site or desk review; services or activities provided; total amount of the contract and sources of the funding; staff interviewed; and a summary of the results that include program strengths, concerns, deficiencies and areas where technical assistance may be needed.*

**TECHNICAL ASSISTANCE:** A means of improving program operations, facilitating the implementation of corrective action, or providing information. Some assistance may include, but is not limited to, special training; discussion of areas of concern; evaluation of program operation; or any combination thereof. The quality assurance staff will work closely with providers to provide technical assistance if required and/or requested. All technical assistance provided through WCJP will be followed-up on the determine if additional assistance is required.

***Oversight Activities:*** These activities must assess each sub-recipient and contracted service provider’s compliance with federal, state, & local laws, regulations, contract provisions/grant agreements, policies, and official directives and compliance with the appropriate uniform administrative requirements for grants and agreements. The oversight activities encompass both uniform administrative requirements and programmatic monitoring.

***Post-monitoring:*** An exit interview will be conducted prior to the WCJP monitor concluding the on-site visit. Technical assistance will be offered at this time if it is deemed necessary, unless otherwise requested previously.

**REPORT:** Monitoring bulletins will be completed and submitted to the Chief Financial Officer (CFO) within 30 days of the compilation of all documentation required for the review. These reports will identify instances of noncompliance with applicable federal, state and local laws, regulations, contract provisions/grant agreements, policies, and official directives and provide recommendations for corrective action and program quality enhancements. This report may include:

- **FINDINGS** – Identified issues, policies, or practices that are non-compliant with applicable federal, state, and/or local statutes, regulations, grant and/or contract agreements, policies or the uniform administrative guidance.
- **AREAS OF CONCERN** – Issues, policies, or practices detected during the oversight activity that negatively impacts the subrecipient or contracted service provider’s ability to effectively provide services to participants or manage grant funds.
- **RECOMMENDATIONS FOR CORRECTIVE ACTION** – Plan of actions identified by WCJP staff to ensure future compliance with applicable federal, state, and/or local statutes, regulations, grant, and/or contract agreements, policies or the uniform administrative guidance. These recommendations are not the only solution for correcting findings and/or concerns.

**REPORT DISTRIBUTION:** Upon review by CFO, a copy of the oversight report is provided to the monitored entity. WCJP will work with the monitored entity to ensure creation and implementation of all required Corrective Action Plans. Supporting documentation and tools used are available for review for the monitored entity upon request.

A summary of reviews will be included on the Workforce Development Board Agenda for each of the regularly scheduled public meetings and documented in the meeting minutes. All oversight reports along with supporting documentation are available for review by all local workforce development board members upon request.

**RESOLUTION:** Each finding is required to have a written Corrective Action Plan (CAP), including supporting documentation, to be submitted to WCJP within thirty (30) days of the date of notice. The CAP must detail the actions the entity will take to correct all findings along with an expected timeframe for completion. WCJP will review CAPs and issue a determination of acceptance on each issue noted during the review process. Implementation of the CAP must be completed within ninety (90) days of the acceptance of the CAP.

**APPEALS:** All decisions issued by WCJP may be appealed pursuant to the process provided in the Pennsylvania Financial Management Guide

**V. Appendices (if applicable)**

[Appendix A](#) – Risk Assessment

## Risk Assessment

In accordance with the [Workforce System Policy \(WSP\) No. 183-01 May 21, 2018](#), the following will provide guidance for quality assurance of federally funded programs and activities of the subrecipients. The risk assessment approach will be used to narrow and concentrate the scope of the review.

The four steps involved in conducting a risk assessment with examples are as follows:

- 1.) Define the scope of risk being assessed to determine which contractors involve the most risk exposing the LWDB to adverse consequences.
- 2.) Identify possible areas of exposure which could affect the vulnerability of the LWDA and LWDB fiscally if the contractor is monitored less frequently.
- 3.) Identify the factors used to assess the risk. (See below for detail).
- 4.) Assign point values which can be used to assist the LWDB with determining how to allocate its monitoring resources.

Subrecipients will be identified as either high, medium or low risk to be based on the following risk factors and will include a scoring system.

- Is the service provider new to operating or managing a state or federal funds, or has not done so within the past 5 years?
- Whether the sub-recipient has new personnel or new or substantially changed systems;
- The extent and results of Federal awarding agency monitoring (e.g., if the sub-recipient also receives Federal awards directly from a Federal awarding agency;
- Does the provider lack effective operational and fiscal procedures and controls?
- The results of previous audits including whether the sub-recipient receives a Single Audit in accordance with 2 CFR 200, Subpart F—Audit Requirements of this part, and the extent to which the same or similar sub-award has been audited as a major program; and
- What is the contractor's share of the local area's allocation?

The Scoring System is as follows:

**Service providers with a scoring of 39 points or lower will be considered low risk and will be monitored annually.**

**Service providers with a scoring of 40 or more points will be considered medium or high risk and may be monitored a minimum of two (2) times per program year.**

**All youth service providers will be monitored annually.**