



Connecting Talent with Opportunity

COMPREHENSIVE GUIDE TO MONITORING UNDER THE WORKFORCE INNOVATION & OPPORTUNITY ACT

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Overview

This Comprehensive Guide to Monitoring describes processes and procedures the Technical College System of Georgia, Office of Workforce Development (OWD) uses to monitor programs and activities funded under the Workforce Innovation and Opportunity Act (WIOA) grant. OWD is responsible for assuring administrative, fiscal, and programmatic compliance with WIOA and applicable regulations.

Monitoring at state and local levels ensures that proper systems are in place, being followed, and meet the requirements of federal, state, and local law. To accomplish this, the State has prepared this Comprehensive Guide to Monitoring, which includes the on-site monitoring tools, corrective action, and technical assistance procedures, and other applicable information.

The purpose of monitoring is to reduce the possibility of audit exceptions, sanctions, or unallowable costs (which may have to be reimbursed to the federal government). Through the use of the established monitoring procedures, the State and local areas can minimize risk or other issues by early detection and correction.

Monitoring Environment

Each May, a schedule is developed for monitoring local area's previous program year activities. The program year begins on July 1, 20XX and runs through June 30, 20XX. Once the monitoring schedule is approved, monitoring reviews are initiated. The OWD monitoring team includes staff from the Programmatic, Grants Administration, and Compliance departments, and has the primary responsibility for all monitoring activities. OWD management provides oversight and support to the monitoring team throughout the monitoring processes.

Monitoring Process

The structure of the monitoring review will be conducted through on-site testing, desk reviews and follow-up, which includes, but is not limited to the following:

- Preparation for the On-site visit
- Execution of testing tools
- Collection of supporting documentation
- Review of Audit Reports
- Preparation of reports
- Collection and review of Corrective Action Plans
- Resolution of monitoring finding

OWD is authorized to monitor any entity receiving Workforce Innovation Opportunity Act (WIOA) funds. The review may include examining programmatic and financial records, interviewing employees, and visiting any site or premise which receives WIOA funds. The monitoring process is intended to give Local Workforce Development Boards (LWDBs), local areas, and the State a way to identify and address programmatic and financial issues that may be out of compliance with federal, state, and/or local policies.

Introduction:

Programs and Systems

The local areas will be reviewed at least once annually. This review will include, but is not limited to, the following categories:

Programmatic

- Participant Eligibility
- Participant Priority Documentation
- Participant Assessment and Referral
- Participant Case Files
- Supportive Service
- Policy and Procedures Overview
- Internal Controls
- Prior Year Corrective Action

Financial & Grants

- Financial Accountability and Internal Controls
- Financial Management
- Procurement
- Cash Management and Revenue Recognition
- Pre-paid Items
- Salary and Cost Allocations
- Disbursements
- Sub-recipient Monitoring
- Contracts
- Prior Year Corrective Action

Compliance

- Equal Employment and Nondiscrimination
- Local Workforce Investment Boards
- Chief Local Elected Official Boards
- Internal Control Environment
- Corrective Action/A-133
- Grievances or Complaints (nondiscriminatory)
- Methods of Understanding

Updating the Comprehensive Guide to Monitoring

At the conclusion of each monitoring year, the OWD Compliance Director and monitoring team will review and incorporate changes to the annual monitoring process in the Comprehensive Guide to Monitoring. Revision recommendations must be approved by the Executive Director prior to implementation.

Protocol for On-site Monitoring:

The purpose of this protocol is to provide OWD with a standard methodology for conducting on-site monitoring. The protocol defines the roles and responsibilities for monitoring and delineates the tasks and activities necessary to adequately complete monitoring required under WIOA. The protocol is strengthened with monitoring tools and templates to standardize the on-site monitoring process.

The purpose of on-site monitoring is to assess local areas' compliance with WIOA and other applicable federal, state, and local laws and policies. It focuses on key requirements essential to compliance. Responsibilities associated with on-site monitoring are as follows:

	Responsibilities
<p>Monitor/Monitoring Teams (Compliance, Grants, and Programs)</p>	<ul style="list-style-type: none"> • Conduct the monitoring review, including all pre-on- site and post-on- site activities • Generate correspondence regarding the monitoring review
<p style="text-align: center;">Management (Executive Director, Compliance Director, Grants Director, and Programs Manager)</p>	<ul style="list-style-type: none"> • Provide the monitoring team with information on all program-specific requirements and outcome expectations relevant to each monitoring review • Approve sample size and selection parameters for the participant file review • Finalize observations, findings, and corrective action requirements • Approve the implementation of corrective action • Provide technical assistance to the monitoring team
<p style="text-align: center;">Monitoring Tools</p>	<ul style="list-style-type: none"> • Monitoring Log is used to organize the review of the local area (Attachment 1) • Preplanning & Inventory Tool (Attachment 2) enable the monitoring team to gain factual information about the administration of the grant • Risk Assessment Tool (Attachment 3a, b, c) is used to evaluate potential issues with predetermined criteria. The review of Audit Reports and prior year findings is addressed within this tool to determine each area's risk level (High, Medium, or Low). If a known state and/or federal investigation concerning suspicion of fraud has occurred in the preceding 24 months, an area will automatically be designated as High risk. • Monitoring tools contain documented records to support the conclusion of the review. • Summaries within the testing tools (Exception Workpaper) provide an objective overview and put exceptions into perspective. • Notice of Findings and Required Actions is a formal report that communicates to local leadership the results of monitoring and allows for local management to concur or not concur.

Protocol for On-site Monitoring:

Steps of On-site Compliance Monitoring

There are seven (7) steps to on-site monitoring:

1. Scheduling and Notice of Monitoring
2. Submission of Monitoring Package
3. Preplanning Preparation
4. Desk Review/On-Site Monitoring
5. Final Report with Required Actions
6. Corrective Action Report
7. Resolution of Findings

Scheduling and Notices of Monitoring

Scheduling Each May, the Compliance Team will create a monitoring schedule (Attachment 1) to be sent out to all local areas. Each local area will have the opportunity to request a change to the testing date due to immovable conflict. Once scheduling conflicts have been resolved at the state and local levels, the monitoring dates will be considered formalized and each local director will be notified of their respective on-site monitoring dates (Attachment 17).

Submission of Monitoring Package

Data Request The Compliance team member prepares and emails the Data Request Package to the LWDA Director (Attachments 18-22, 39, 40), and then follows up with the LWDA Director to walk them through the Data Request List and assist with any questions. The LWDA must submit the completed Data Request to the State within two weeks. The compliance monitor will follow-up with the LWDA Director again two days prior to the submission due date.

Desk Review The monitoring team reviews the contents of the files prior to the on-site monitoring, and completes the Preplanning and Inventory tool (Attachment 2). All of the following documents should be included in this review:

- All fiscal reports available for the review period
- Audit reports and management letters from independent auditors
- Local policies and procedures
- Local program requirements
- All performance reports available for the review period
- All contract files
- Monitoring reports and relevant correspondence from previous monitoring year
- Board membership review
- General Ledger
- Other supplemental documents

Protocol for On-site Monitoring:

Pre-planning Preparation

Pre-planning The monitoring team and management meet to discuss any risks that may be identified while reviewing documents prior to on-site monitoring. During the pre-planning meeting, the Compliance monitor will go over the Preplanning & Inventory Tool (Attachment 2). Samples will be selected prior to the Preplanning Meeting.

Risk

Assessment

Local Area sample size is determined according with the risk assessment. (Attachment 3a,3b,3c) This process will determine the overall risk of each area. EXCEPTION: In the case of a known state and/or federal investigation concerning suspicion of fraud, an area will be automatically designated as high risk. There are three (3) risk assessment tools, one for each area of monitoring (Compliance, Finance, and Programs).

Programmatic Samples

Programmatic samples will be selected based on the risk assessment; 40 samples for high risk areas, 28 samples for medium risk areas, and 16 samples for low risk areas. Regardless of risk level, 5 additional samples will be requested on-site after the entrance meeting, with the remaining samples being requested prior to arriving on-site. The procedure for requesting five (5) on-site samples is intended to limit the possibility of file tampering prior to the review by State staff (Attachments 23, 24). The Programmatic monitor will also send out a Doodle Poll for interviews at the time of requesting samples (Attachment 43).

*****Due to the sensitive personal information provided in the program samples, sample selections are sent through the secured online WorkSource Portal*****

Finance Samples

The Finance Monitor will test samples in the following areas: Cash Management, Financial Management, Support Service Expenditures, Pre-Paid, Cost Allocation Plan, Salary and Personnel, Internal Control, Financial Reporting, Purchasing, Contracts, Sub-recipient Monitoring, and Disbursements.

Samples are selected from the local area's Data Request from and general ledger (Attachments 25, 26). The number of samples to select for each category is based upon the risk assessment score found on the Financial Sample Selection Chart (Attachment 27).

Protocol for On-site Monitoring:

Financial disbursement samples will be selected based on the risk assessment: 30 samples for high risk areas, 25 samples for medium risk areas, and 20 samples for low risk areas. Regardless of risk level, 5 additional disbursement samples will be requested on-site after the entrance meeting, with the remaining samples being requested prior to arriving on-site. The procedure of requesting 5 on-site samples is intended to limit the possibility of file tampering prior to the on-site visit. For each disbursement sample, a cover sheet must be filled out by the local area (Attachment 28).

Compliance Samples

The number of Internal Control samples selected from the Internal Control Questionnaire (Attachment 22) is based on its own risk factors from the risk assessment form: 22 samples for High risk, 17 samples for Medium risk, and 12 samples for Low risk. The Finance and Programmatic monitor may help with input as to which samples will be selected.

For the Equal Opportunity & Nondiscrimination Questionnaire (Attachment 26), the number of samples selected is based on the Compliance risk assessment form; 25 samples for High risk, 20 samples for Medium risk, and 15 samples for Low risk. All of these samples will be tested on-site.

Calendar Invitation

The Compliance monitor will call the LWDA Director, the Wednesday prior to on-site monitoring, to confirm the on-site address, time and Wi-Fi access. (Some areas will require the monitoring team to split and test at two locations) A calendar invite (Attachment 29) is sent to the LWDA Director and monitoring team with address, time, and any other important information needed to gain access while on-site.

Pre-Onsite Interviews

The Finance team will schedule phone interviews one (1) week prior to onsite monitoring to complete their testing tool in regards to interviews (Attachment 4).

The Programs team will send out a Doodle to set up for interview times, by email two (2) weeks prior to the onsite visit (Attachments 43).

Protocol for On-site Monitoring:

Desk Review/On-Site Monitoring

Entrance Meeting

The Entrance Meeting is set for the Monday morning of the week of monitoring. The Entrance Meeting will take place via conference call. The monitoring team, LWDA Executive Director, LWDA Program Director, LWDA Finance Director and others chosen by the LWDA Director should attend the Entrance Meeting.

During the Entrance Meeting, the team lead (a designated head of monitoring team member) explains the purpose and scope of the review and how and when exceptions will be communicated in accordance with the Entrance Memo (Attachment 30).

Arrangements are made for any logistical needs required for the review. Interviews are scheduled with the appropriate staff members. Upon the closing of the Entrance Meeting, the team lead, Executive Director, Finance Director and Program Director sign the Entrance Memo acknowledging the Entrance Meeting was held. (Due to the nature that the Entrance will be done via a conference call, all parties must sign and scan signatures to OWD.)

Conduct File Reviews

Monitoring testing consists of the execution of the following tools:

- Financial Review Tools (Attachments 4-11, 42)
- Programmatic Review Tools (Attachments 12-14, 45)
- Compliance Review Tools (Attachments 15-16, 36, 38-40)

Monitoring shall be completed by the monitoring teams as a desk review. Each review will consist of 2-3 days of actual on-site testing (Tuesday & Wednesday), unless more time is required. Tools must be completed and uploaded to the OWD shared drive along with the supporting documentation for all exceptions.

The Programmatic Monitor will complete a Monitoring Checklist through the monitoring visit (Attachment 44).

Protocol for On-site Monitoring:

Pre-Exit Meeting

At the end of on-site monitoring, the monitoring team and management will conduct a pre-exit. A discussion of the LWDA's monitoring results are presented and discussed. Management determines if additional investigations are needed to clarify any exceptions, and may recommend the monitoring team contact the appropriate individual(s) for clarification. Exceptions noted during testing are discussed and may be divided into Findings or Observations.

A Finding is defined as a situation in which a federal, state, or local rule or regulation is not being satisfied. An Observation is defined as a situation in which program or process improvement would strengthen the LWDA's operation.

Exit Meeting

An Exit Memo is drafted and presented during the Exit Conference. The Exit Conference is also conducted via a conference call. A Notice of Findings and Required Actions (NFR) is a detailed report of all findings citing federal, state, and local criteria and is attached to the Exit Memo (Attachment 31). The NFR also contains required actions, which are mandatory corrections the LWDA must implement. The LWDA will have an opportunity to concur or not concur with the findings and required actions. The LWDA has three (3) business days to respond to the provided NFR.

The Exit Meeting, attended by the monitoring team and the appropriate LWDA staff, provides an update on findings and observations resulting from the on-site review and an opportunity for questions regarding the corrective action process. The LWDA will have an opportunity to dispute or question any Findings from the NFR following the monitoring visit. At the close of the Exit Meeting, the Team Lead, Executive Director, Finance Director, and Program Director will sign the Exit Memo acknowledging that it was reviewed. (Due to the nature that the Exit will be done via a conference call, all parties must sign and scan signatures to OWD.)

Final Report with Required Action

NFR Disputes

Once the LWDA has responded to the NFR, management will review their responses. The LWDA should provide backup documentation to OWD for any disputed findings. Discussion between the LWDA and OWD management may occur to determine validity of a finding.

Protocol for On-site Monitoring:

Final Report A determination is made on Findings that still stand and those that have been resolved. The Final Monitoring Report is drafted, consisting of (1) findings and required actions and (2) observations and recommended actions. This report is sent out within 10 business days of receiving the NFR from the LWDA (Attachment 32).

After the report is created, the Programs team will fill out the Post-Monitoring Issues Log (Attachment 46), which indicates the case files in question and testing criteria failed. This information will assist the LWDA when developing their Corrective Action Plan.

Corrective Action Response

Corrective Action

A Corrective Action Response (CAR) is necessary to ensure that the local area addresses all noted findings resulting from monitoring. If there are Findings in the Final Monitoring Report, corrective actions are required. As stated in the report, the LWDA must submit a plan on how they will correct the problems within ten (10) business days of receiving the Final Monitoring Report. The appropriate managers will review the plan and approve it. If the plan is not approved, further discussion will take place between the LWDA and OWD. Technical assistance will be provided to help the LWDA obtain a plan that is acceptable.

Resolution of Findings

Resolution OWD management should review the CAR to determine if the required actions have been satisfied by the proposed actions and supporting documentation and to ensure the appropriate grants are reimbursed for any disallowed costs. In response to the CAR, OWD will issue a Findings Resolution Response (Attachment 33) within ten (10) business days, which must be signed by the Compliance Director. The Findings Resolution Response (FRR) is sent to the LWDA indicating which findings have been resolved, and which need further action and/or additional documentation demonstrating a resolution. This notice will be sent out following each CAR follow-up until all findings have been resolved.

The LWDA has ten (10) business days to respond to each follow-up correspondence. At the point all required actions have been satisfied, the Final Notice (Attachment 34), which must be signed by the Assistance Commissioner, will be sent out indicating no further actions are needed. The progression of findings resolutions is tracked on the CAR Tracker (Attachment 35).



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