

**Program and Financial Oversight and Monitoring for the
Northeast Ohio Consortium Council of Governments
Workforce Innovation and Opportunity Act Policy D-03**

I. Purpose.

The purpose of this policy is to describe how oversight and monitoring of workforce programs and the operation of One-Stop delivery system will be conducted to ensure compliance, provide a framework for continuous improvement, and impact innovative policy development and program performance.

The Area's staff, either directly and/or through the use of a contracted with third-party, shall monitor its contracts with the operators of the One-Stop Centers, and the providers of Adult, Dislocated Worker Services, Business Services, Youth Programming for the following purposes:

1. To ensure contractor compliance with agency, county, state, and federal regulations and requirements.
2. To ensure compliance with negotiated contract requirements, outcomes, and reimbursement/cost limits.
3. To evaluate the quality and effectiveness of the services provided.
4. To provide program guidance and direction to enhance the quality of services provided to customers.

II. Background.

The Workforce Investment Act of 1998, Section 1119, and the Workforce Innovation and Opportunities Act of 2014, Section 184, requires the local Workforce Board, in partnership with the Chief Elected Official (CEO), to conduct program and financial oversight of all workforce programs and the One-Stop delivery system in the local area.

The Federal Code of Regulations also requires that sub-grantees must continuously monitor grant-supported activities in accordance with the uniform administrative requirements. This includes requirements that each sub-grantee must conduct regular oversight and monitoring of its workforce activities and those of its sub-grantees and contractors. The purpose of this requirement is to ensure that expenditures meet the cost category, cost limitation requirements, and other compliance provisions of the Workforce Investment and Workforce Innovation and Opportunities Acts.

III. Action and Scope of Monitoring

Through a constant review process, the Area's staff, on behalf of its Boards of governance will ensure continuous improvement by performing the following two types of monitoring:

1. program monitoring, and

2. financial monitoring.

Program monitoring is a review of contractually provided for services to determine whether if performance under the contract is consistent with the terms and conditions of the contract, and expected parameters of service. Program monitoring may include any or all of the following:

- Reviewing the contractor's documentation to determine if required services are being provided.
- Interviewing direct delivery staff, observing service delivery, and interviewing customers to determine what services are being provided, and the quality of the same.

Financial monitoring is an examination of the contractor's financial statements, records, and procedures. It is similar to an audit but has a lesser degree of detail and depth, and a higher degree of frequency. Financial monitoring includes, but is not limited to:

- Reviewing the contractor's invoices.
- Comparing budgets and/or budget limits to the actual costs.
- Obtaining reasonable documentation demonstrating that the services billed were actually delivered according to the contract.
- Comparing invoices with supporting documentation to determine if costs are allowable and necessary.

The intent of this policy is to prepare sub-grantees for monitoring/audits by identifying potential issues and discrepancies. The Local Workforce Board will provide consulting, training, and technical assistance to sub-grantees as needed.

IV. Program Monitoring, Type and Frequency.

Program monitoring compares actual service delivery to performance objectives identified in the contract and examines performance criteria such as effectiveness, volume, quality, customer satisfaction, contract compliance and adherence to law.

Local Workforce Board staff will utilize one or more of the following types of program monitoring in the frequency provided below:

1. Expenditure Document Review.

Monitoring staff will review each contractor's invoices and expenditure submittals to determine if the rates and services are the same as allowed by the contract. Area monitoring staff will determine is supporting documents such as cost reports, third party receipts for expenses, customer information adequately support requests for payment.

This form of monitoring will occur throughout the program year, every time the contractor submits an invoice for payment.

2. Program Desk Review.

On a quarterly basis, general programming performance measures will be reviewed. Area and contract performance information will be tracked and maintained for historical reference in order to measure and evaluate continuous improvement.

3. On-Site Review.

a. Review by Board's Monitoring Agents.

On-site visits will be conducted on an annual basis. Where issues or concerns are found with a contractor, on-site monitoring will occur on a more frequent basis as determined to be needed by the Board's monitoring staff. Area staff or its contractual monitoring designee will conduct on-site monitoring utilizing the Board's "On-Site Review Monitoring Report."

The on-site review includes a visit to the contractor's place of business, to the service delivery site or both to review contract compliance and performance issues. The on-site review may cover a broad range of contract related issues or may be limited in scope to focus on a particular area of concern or to follow-up on a corrective action plan. The "On-Site Review Monitoring Report" will be used to carry out and document the findings of the review. The review may include, but will not necessarily be limited to, eligibility determinations, attendance, policy and procedures, staff competency, program and service delivery plans, service delivery observation, client satisfaction and other contractor information.

b. Review by Secret Shopper Customers.

Area staff and/or ODJFS may have individuals posing as individual and/or employer customers to the One-Stops in order to ascertain reports and information regarding One-Stop customer service. Area staff will at its discretion determine what information will be shared with the Board and contractor as a result of this type of monitoring.

4. Preparation for Monitoring, Notification, and Unscheduled Visits.

Prior to the review, the Area monitor will examine the proposal, contract and any modifications to the contract, invoices and reports received to date, and provision for a corrective action plan (if any). The monitor will become familiar with the deliverables of the contract and will note any discrepancies or concerns from the invoices/reports provided by the contractor.

For desk reviews, the monitor will request in writing that the contractor provide the required documentation. For on-site reviews, the monitor will send written notification of the desired date of review along with a copy of the "Program On-Site Review Report" and will confirm both the review date and availability of needed documentation. When deemed necessary or desirable, the Area may send its agents to a contractor to seek readily observable information regarding contract performance.

V. Financial Monitoring.

Financial Monitoring includes but is not limited to reviewing each contractor's invoices, comparing budgets and/or budget limits to the actual costs, reviewing the contractor's internal controls and evaluating supporting documentation to determine compliance with federal, state, and local laws, regulations, and policies.. Financial information to be reviewed will include but not be limited to permissibility of costs, billing systems, payroll, procurement, cash management, capital assets, inventory, recent audits, prior findings, cost allocation, third party contracts and other financial areas as needed.

1. Expenditure Document Review.

Area staff will review each contractor's invoices and expenditure submittals to determine if the rates and services are the same as allowed by the contract. Area staff will determine if supporting documents such as cost reports, third party receipts for expenses, customer information adequately support requests for payment.

This form of monitoring will occur throughout the program year, every time the contractor submits an invoice for payment.

2. Financial Desk Review.

Reviews of reports and documentation submitted by the contractor to the Area monitor as part of a program desk review or on-site review may be utilized to review billing and invoices, comparison of budget to costs, internal controls, procurement and cost allocation. Additional information may be requested of the contractor, and upon it being requested, the contractor will produce the same.

3. Financial On-Site Review.

Financial on-site visits will be conducted at least once, every program year, if not more often. Where issues or concerns are found with a contractor, on-site monitoring will occur on a more frequent basis as determined to be needed by Area staff. Area staff or its contractual monitoring designee will conduct on-site monitoring utilizing the Area "On-Site Review Monitoring Report."

A "Financial On-Site Review Report" form will be used to provide the reviewer with a tool to determine if the amounts reported by the contractor are accurate, allowable, supported by documentation and properly allocated. In addition, the review will determine if the contractor has adequate internal controls and a reliable financial management system. The review may include contract administration, billing and invoices, payroll permissibility of expenditures, financial statements and audits, assets and inventory, cash management and other policies and procedures to document adequate internal control and compliance to federal, state, and local laws, regulations, and policies.

4. Preparation for Monitoring, Notification, and Unscheduled Visits.

Prior to the review, the Area monitor will examine the proposal, contract and any modifications to the contract, including invoices and reports received to date and program monitoring reports. For desk reviews, the monitor will request in writing that the contractor provide the required documentation and will use the Financial On-Site Review Report to document the conclusions of the desk review. For on-site reviews, the monitor will send written notification of the desired date of review along with a copy of the "Financial On-Site Review Report" and will confirm both the review date and availability of needed documentation. There will be no unscheduled financial monitoring visits.

VI. Monitoring Responsibilities, Report, and Corrective Action.

The Executive Director will ultimately be responsible for conducting monitoring, and for the implementation of this monitoring plan. At the conclusion of each monitoring review, the individual responsible for conducting the monitoring as assigned by the Executive Director will prepare a report summarizing their findings and identifying any weaknesses, conditions, errors, contract deviations or violations. The report will also indicate what corrective actions are desired, the time frame for the corrective action and what, if any, actions the contractor has taken to alleviate the weakness, condition, error, contract deviation or violation of law, regulation or policy. This report will be provided to the contractor within ten (10) business days of its completion. This report will be provided to Area's governing boards prior to its next scheduled meeting.

The contractor may be required at any time to develop and implement a corrective action plan or take specific actions to correct an error or address a concern. Corrective actions required as a result of monitoring are enforceable pursuant to the terms and conditions of the contract between Area staff and the contractor. If the contractor fails to develop and/or implement a corrective action plan, the Area may terminate the contract, withhold compensation, or otherwise enforce the terms of the contract through a court of competent jurisdiction.

VII. Distribution of Policy and Technical Assistance.

In order to assist contractors in preparing for monitoring and to solicit their cooperation, the Area will provide existing contractors as well as potential contractors with this policy. In addition, the Area is available to provide program and financial technical assistance to contractors on a daily basis via phone or email. Training and technical assistance will also be provided through meetings to be held as needed.

VIII. Disputes.

Any dispute which cannot be resolved between the Area Workforce Board and the sub-grantee shall be submitted to the Area Board of Chief Elected Officials, which shall consult with the Area Workforce Board. The Area Workforce Board and Board of Chief Elected Officials shall issue a joint written decision, which is final and binding.

IX. Effective Date.

June 3, 2015.

VI. Signatures.



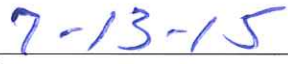
Joseph Misinec
Area WIB Chair



Date



Dan Claypool
Ashtabula County Commissioner
Northeast Ohio Consortium Council of Governments,
Chief Elected Official



Date

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Subsequent Revisions: