
Policy Number: Section 2 Policy 25

Effective Date: 12-7-2020

MONITORING AND OVERSIGHT POLICY AND PROCEDURES

- I. **INTRODUCTION AND GENERAL INFORMATION:** These procedures set forth the guidelines by which the Central Arkansas Planning and Development District (CAPDD), will monitor all Agency funded grant programs, financial and operational activities. The Federal Regulations governing the Workforce Innovation and Opportunity Act (WIOA) activities authorize and require that the Governor be responsible for oversight of all Local Workforce Development Board (LWDB) grant recipients and Title I programs. Also, guidelines and other specific regulations, from other funding sources, may require monitoring and oversight by the grantee or administrative agency responsible for the various funds.

The CAPDD staff adopted the following Arkansas Monitoring Procedures specifically for the WIOA funds. These procedures may also be used as guidelines to monitor other activities. The CAPDD staff will generally use these procedures along with other issued policies and guidelines to perform monitoring and oversight activities.

- II. **PURPOSE:** The primary purpose of monitoring is to ensure that all legal, contractual and policy requirements of specific funding sources are met. A secondary purpose is to identify and call attention to questionable activities and conditions which appear to diminish opportunities for achieving the intent of the WIOA or other funding sources, though not necessarily in violation of specific requirements.
- III. **SELF-MONITORING:** All entities receiving WIOA funds are required to have and follow adequate written procedures for monitoring all activities for which it receives.

CAPDD has adopted the procedures as outlined in the WIOA Title I-B Arkansas Department of Workforce Services Program and Financial Monitoring Instrument with Monitoring and Oversight Procedures.

- IV. **MONITORING OF WORKFORCE INNOVATION AND OPPORTUNITY ACT ACTIVITIES:** The CAPDD staff has been designated to monitor WIOA and other activities for which CAPDD is responsible. Circumstances may occur which compel alteration of procedures. For example, unannounced monitoring may be necessary under certain conditions. However, the CAPDD staff will generally adhere to the following procedures.

V. DOCUMENTATION REQUIREMENTS

PROGRAM

- A. The following documents are required to accomplish the CAPDD's monitoring effort and should be kept in the participant's file. (Optional documents are designated where appropriate.)
 - 1. Signed Agency Application – Optional
 - 2. Job Description - Applicable to On-The-Job-Training (OJT), Work Experience, Customized Training, and Summer Youth. The job description should be included either in the OJT agreement, or in the work-site agreement for the other components.
 - 3. Personnel Policy Statement
 - 4. Benefits and Working Conditions Statement
 - 5. Grievance Procedure Statement
 - 6. Hatch Act
 - 7. Applicable Arkansas Joblink (AJL) data including eligibility support documentation
 - 8. Thirty (30) Days Review - Optional unless stipulated by the local training plan or the sub grant narrative. The State staff recommend that this checkpoint be incorporated into internal procedures as a safeguard against ineligible. The Thirty (30) Days Review form should be devised by the AE.
- B. The following documents are required to be maintained within the Fiscal Department:
 - 1. Time and attendance records signed by the participants and the immediate supervisor/instructor; and
 - 2. W-4 Forms - Applicable to participants receiving monetary compensation.
- C. The following documents are required to be maintained within the grantee management files:
 - 1. List of current worksites;
 - 2. Worksite Agreements; and
 - 3. List of other funding sources.

FINANCIAL

- A. Bank Collateralization
- B. Financial Policy and Procedures
- C. Lease Contract Agreement(s)
- D. Sub-grant Agreement(s)
- E. List of Training Providers
- F. Training Providers Contract Agreement(s)
- G. Other Contract Agreement(s)
- H. Management Letter (A-133)
- I. List of Equipment Purchases, if applicable
- J. Petty Cash Reconciliation and Supporting Documentation
- K. List of Board Members and Disclosure Statements
- L. Employee Handbook
- M. Insurance and Bonding
- N. Invoices, receipts, payroll records, and other supporting documentation requested on-site

VI. MONITORING PROCEDURES

- A. Determine the tools to use and who will monitor.
- B. The monitoring tool should be based off of the current State's monitoring instrument, and only the relevant sections, questions, checklists, etc. that are applicable to the circumstances must be used.
- C. Other tools will be used as appropriate. Examples include:
 - 1. Monitored Entity's file
 - 2. Previous monitoring reports
 - 3. Letters of concern/correspondence
 - 4. Other pertinent information from the file
 - 5. LWDB Workforce Plan
 - 6. LWDB Sub grant
 - 7. MIS
 - 8. Wage file
 - 9. Program status reports or other reports as appropriate
 - 10. WIOA Issuances
 - 11. State issued policies/directives
 - 12. DOL compliance review guides and other appropriate DOL material
 - 13. Workforce Innovation and Opportunity Act
 - 14. Applicable OMS Circulars
 - 15. Follow-up reports
 - 16. Time cards
 - 17. Internal monitoring reports
 - 18. LWDB information
 - 19. Cooperative Agreements, if applicable
 - 20. Contracts/sub-grants
 - 21. Financial reports
 - 22. Other pertinent material
- D. The following entities will conduct compliance reviews:
 - 1. Granters/Contractors will monitor themselves and grantees/subcontractors;
 - 2. Agencies will monitor the provision of services affecting their participants agreed to in their financial and non-financial written agreements; and
 - 3. Contracts/grants/written agreements will be the basis of monitoring.

VII. SCHEDULE MONITORING

- A. The individual responsible for the monitoring process will establish a general timeframe for monitoring and make monitoring assignments. The CAPDD monitor will establish a quarterly program monitoring schedule to ensure compliance with federal, state, and local requirements. Internal financial monitoring will be conducted annually.
- B. The monitor will contact the appropriate staff member to make them aware of the upcoming monitoring, and give an explanation of the scope of the monitoring.

VIII. CONDUCT THE DESK REVIEW AND PREPARE FOR MONITORING

- A. The monitor will review the grant, plan, and all modifications of the entity to be monitored for comparison during on-site review. He/she will:
 1. Note target groups, kinds of activities, supportive services to be provided, including needs-based payments plan
 2. If provided, services to non-residents, etc.; and
 3. Note methods for determining demand occupations, length of training, eligibility/verification, assessment/remediation, identification/selection of participants, youth competencies, etc.
- B. The monitor will review monitored entity files to compare with information on-site. Some specific areas to review include:
 1. Correspondence - note general questions, problems/solutions, waivers, etc.
 2. LWDB information - minutes, by-laws, current list of members, disclosure statements of board members, appointments/vacancies notification, etc.
 3. Monthly financial reports - note expenditure rates, timeliness, cost categories' expenditures;
 4. Resource files - note items to be looked at during monitoring;
 5. Financial and non-financial agreements - note activities;
 6. Recent monitoring reports - note corrective action required for follow-up verification; and
 7. Last audit report - note corrective action required for follow-up verification.
 8. As appropriate, review reports and files in the Management Information System for the monitored entity. Specific areas to look at include:
 9. Program status summary to determine sample size for reviewing participant files;
 10. Enrollment list to select participant files for review;
 11. Activity reports to determine if any participants have been inactive or received no WIOA service for more than ninety (90) days;
 12. Wage report to select files for review;
 13. Exit list to select files for review;
 14. Verify placement and training relatedness; and
 15. Review appropriate files for special emphasis areas.

IX. CONDUCT THE REVIEW

- A. The Monitor will provide detailed information regarding the overall review process, including what will be covered/reviewed, the timeframe for the review, work and training site visits, etc.
- B. The Monitor will provide a list of documents and files and/or types of documents and files needed for review.
- C. If the Monitor knows in advance there are specific files he/she wants to see, he/she may relay this information to the respective staff member.
- D. The Monitor will mention items of concern or primary focus.
- E. The Monitor will analyze findings and concerns from the monitored entity's most recent audit(s) and monitoring report(s). He/she will explain that he/she will be reviewing documentation to see that all cited findings and concerns, and especially those that were left unresolved pending additional review, have been corrected.

- F. The staff being interviewed will describe current program operations, contracts, activities, etc. They will also describe how the program is organized; the objectives of its major programs, and the processes for conducting its respective business function. Depending on the subject of the monitoring, those business functions may include:
 - a. Eligibility documentation
 - b. Participant IEP/ISS
 - c. Client files
 - d. AJL data input
 - e. Forms
 - f. Program Procedures
 - g. Worksite Information
 - h. Equipment Purchases
 - i. RFPs, IFBs, Small Purchases
 - j. Financial Policies and Procedures
- G. Any other information that the monitored entity believes would be helpful to the monitor, or about which the monitor asks, in order to ensure that the monitor understands the major orientation of the monitored entity's programs so that the reviews will be focused appropriately to reduce misunderstandings.
- H. The Monitor will meet with staff to discuss problem areas. Those areas may be reconciled while on site and/or in a recommended/action plan.
- I. Problems that are minor, isolated and do not indicate a trend, can be corrected on the spot as long as the staff understands why the condition is a problem and how it is to be avoided in the future. Such problems may not be noted in the monitoring report.
- J. Problems that involve issues of non-compliance will be noted in the report, but the report also will state that the monitored entity corrected the problem on the spot and no additional corrective action is necessary.
- K. Problems that do not involve issues of non-compliance will be covered through informal discussion between the Monitor and the appropriate monitored entity contact person. Depending on the seriousness of such a problem, the Monitor also may provide a copy of his/her exit conference notes referencing the problem or may write a separate letter to the monitored entity about the problem.
- L. The Monitor will inform the monitored entity that the Director or designee will be notified promptly of any serious items.
 - a. The monitor will explain that if a serious problem is identified, the problem will be immediately discussed with the monitored entity's Director.
 - b. Depending on the nature of the problem, the monitor may first call the monitor's supervisor and together they will determine the next appropriate notification.
- M. The report will require that the monitored entity provide corrective action, if necessary, and will include a response due date.
- N. The Monitor will ask if there are any particular areas of concern that the monitored entity wishes to discuss.

XI. CONDUCT ON-SITE MONITORING - MONITORING AT TRAINING SITES

- A. Upon arrival, the monitor will introduce himself/herself to the contact person previously identified by monitored entity. If the contact person (or alternates) is/are unavailable, the monitor will contact the supervisor(s) of participants. If after reasonable effort is made, neither a contact person nor supervisor can be found, the monitor will interview participants and the monitored entity will be informed of the situation.
- B. The monitor will review training site records. The monitor will request access to records relative to:
 - 1. WIOA activities at the training site and review them in the presence of training site personnel.
 - 2. When interviewing youth, the monitored entity will have:
 - a. A representative present, if desired, during the interview.
 - b. The monitored entity representative should not be someone involved with participant selection or the selection of the work/training site.
 - c. During the interview, if the monitor and/or the monitored entity staff believe a problem is indicated, either the monitor or the monitored entity will then conduct a private interview.
 - 3. For adult interviews, the monitored entity does not have to be present during the interview. The monitor will discuss any problems/questions with the monitored entity and staff immediately, if the monitored entity staff is available.
 - 4. The monitor will observe the training environment.
 - 5. In addition to verbal interviews at the training site, the monitor will attempt to observe broad aspects of the training environment that may not surface in interviews. Examples of such observations will include, but not be limited to:
 - a. condition and appropriateness of training;
 - b. equipment; and/or
 - c. environmental safety, etc.
 - 6. Except for the introduction protocol (first), the sequence of monitoring activities at training sites will vary due to convenience of training site staff,

XIV. ISSUE THE REPORT

- A. A written monitoring report will be issued to the monitored entity and will contain the following items:
 - 1. Findings for which clarification are requested and for which clarification was not provided or was not sufficient during the monitoring and/or exit conference; and
 - 2. Findings for which corrective action are requested.
- B. Concerns, which may require clarification or corrective action, may be offered as information, if the concerns are considered as indications perceived to indicate potential problems and/or indicate need for further investigation and attention by the monitored entity. These concerns may be included in separate communication.
- C. All findings will be accompanied with a specific reference to that part of the Act, regulations, or other requirements which the monitor believes have been violated.
- D. Only findings, which describe conditions or activities which monitors witnessed personally, will be reported.

- E. Findings based on second-hand accusations, or other hearsay or what was heard will be included in the report, only, if verified by the monitor(s) or first-hand acknowledgment or statements by staff, supervisors, employers, participants, etc.
- F. Concerns will be reported, regardless of the source of information, when they relate to conditions or activities, which seem to have potential for significant negative impact on the program.
- G. The report will be mailed to the monitored entity within approximately thirty (30) calendar days following the date of the exit conference.
- H. The monitored entity will have seven calendar days from the date of the report to review the report for accuracy. This seven (7) day period will serve as a review stage to be sure the CAPDD staff or the monitored entity staff has not overlooked information that has a significant impact on any of the items noted in the report.
- I. If the CAPDD staff is not made aware of any information that has a significant impact on the items noted in the report within the seven (7) day period, the report will be considered a final report and a response will be due from the monitored entity within thirty (30) days of the report.

XV. PROCESS RESPONSES AND IMPLEMENT CORRECTIVE ACTION

- A. The monitored entity will receive and review the monitoring report. The monitored entity will respond to the report within thirty (30) calendar days of the date of the report or as otherwise scheduled in the letter of transmittal. The response:
 - 1. Will provide requested clarification;
 - 2. Will describe the corrective action taken or being taken for each finding; and
 - 3. Will provide documentation to support what the corrective action was (e.g., if a new procedure was needed, a copy of the written procedure, if a participant was determined ineligible, a copy of documentation showing that he/she is eligible or a copy of paperwork showing that the participant has been terminated immediately).
- B. The monitoring agency will respond to the monitored entity within fifteen (15) calendar days of the response's postmark accepting the corrective action taken and closing the report or requesting additional information or documentation.
 - 1. If the monitoring agency is closing the report, process XVI will be used.
 - 2. If additional information or documentation is requested, the process will be repeated, except that only fifteen (15) calendar days will be available for response.
 - 3. The monitoring agency will close the report, per process XVI.

XVI. CLOSE THE REPORT

- A. If no findings are reported, the monitoring report will be closed out and the monitoring agency will send a closeout letter to the monitored entity with the report.
- B. If there are findings, a letter closing the report will be issued within ten (10) calendar days of the receipt of the last response. If corrective action is determined acceptable, the closeout letter will constitute final action on the report.

- C. If, after two (2) responses from the monitored entity, corrective action is determined to be inadequate and findings are unresolved, a final determination will be written which will include identification of the unresolved issues and identify what steps are to be taken as a result of the unresolved issues. Within thirty (30) calendar days, copies of the letter and all related written reports and communications will be sent to the monitored entity, LWDB Chair, AWB, the monitoring agency's resolution staff, and the DOL, if applicable.
- D. If sanctions are imposed, the monitored entity has the option of appealing through the WIOA grievance process. Ten (10) calendar days after the final action on the grievance or the notification of imposed sanctions, copies of the report, responses and other related written communication will be mailed to the LWDB or Board Chairperson.

Approved by: Michelle Allgood
Title: CAWDB Chairperson

Date: 12-7-2020

CAPDD/Arkansas Workforce Center is an "equal opportunity employer/program," and "auxiliary aids and Services are available upon request to Individuals with disabilities." Arkansas Relay Service: 1-800-285-1121 (Voice) 1-800-285-1131 (TDD) or TDD 711