

COMMONWEALTH OF VIRGINIA  
VIRGINIA COMMUNITY COLLEGE SYSTEM

**WORKFORCE INVESTMENT ACT**

**VIRGINIA WORKFORCE LETTER (VWL) # 11-08**

**TO** LOCAL WORKFORCE INVESTMENT BOARDS

**FROM:** WORKFORCE DEVELOPMENT SERVICES

**SUBJECT:** LOCAL MONITORING REQUIREMENTS FOR WORKFORCE INVESTMENT AREAS

**DATE:** January 6, 2012

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**Purpose**

To provide guidance to the local workforce investment areas regarding the requirements for local level monitoring, oversight, and evaluation necessary to ensure compliance with the Workforce Investment Act of 1998, federal and state laws and regulations, OMB circulars and Department of Labor Employment Training Administration (DOL-ETA) guidance.

References:

Workforce Investment Act, Section 183, Section 184; 20 CFR Part 652 et al., Workforce Investment Act (WIA); Final Rules, Section(s) 667.400, 667.410, 667.500, 667.700-710; 29 Code of Federal Regulation (CFR) Part 97, *Common Rule for Uniform Administrative Requirements for Grant and Cooperative Agreement to State and local Governments*; OMB Circular A-133, Office of Financial Management, State Administrative, & Accounting Manual.

**Part I – Local Area Monitoring**

**A. Background**

Section 117(d)(4) of the Workforce Investment Act (WIA) requires the Local Board, in partnership with the Chief Local Elected Officials (CLEO or their designated agent) to conduct oversight of the WIA programs and the One-stop delivery system in the local workforce investment area (LWIA). Title 20 CFR Section 667.410(a) requires that each recipient (state) and sub-recipient (LWIA) must conduct regular oversight and monitoring of its WIA activities and those of its sub-recipients. The purpose of this requirement is to ensure that expenditures meet programmatic, cost category and cost limitation requirements of WIA and to determine that there

is compliance with other provisions of the WIA, other applicable laws and regulations, and to ensure that technical assistance is provided as needed.

WIA oversight and monitoring is essential to ensure the integrity of the WIA system and WIA funds, to review performance, assess compliance with applicable laws and regulations and identify successful methods and practices that serve to enhance the system as a whole through continuous improvement.

LWIAs are accountable for the expenditure of funds and the scope of activities associated with the implementation of WIA. Monitoring and oversight at the local level identifies areas of strength and weakness in program operation and is critical in minimizing risk and reducing LWIA liability.

### **B. LWIA Monitoring/Oversight Responsibilities**

Local workforce investment areas, in conjunction with the CLEOs, are charged with planning and ensuring that monitoring and oversight of LWIA services and activities are consistent with federal, state, and local statutory or regulatory requirements. The oversight processes must include the following:

- Determination whether the monitoring will be conducted by Board staff or delegated out to an appropriate entity.
- Written process for consistent review of sub-recipients fiscal and program operations, including One-Stop management.
- Schedule for conducting reviews to ensure onsite monitoring of sub-recipients will occur at least once before the end of each program year for all WIA funding streams.
- Requirement that monitoring of sub-recipients follow a standardized review methodology that will result in written reports which record findings, any needed corrective actions, and due dates for the accomplishment of corrective actions.
- Requirement that all written reports and other documentation pertaining to monitoring and other oversight activities must be made available for review by federal and state officials.
- Requirement that the system of record (VOS) be used to cross-check data during the review to ensure that data is accurate, timely and reflective of services provided.
- Requirement that follow-up is conducted to ensure that findings are resolved.

### **C. Compliance Review Areas**

The major systems of local compliance review shall include but not be limited to Administrative, Financial, and Programmatic.

## **Administrative**

A review of the administrative functions highlights whether sub-recipients are compliant with all of the provisions in their provider contract, looks at the sub-recipients program activity and outcomes to ensure they are in line with the established goals of the contract/agreement, and determines whether the programs administered by the sub-recipients are being run effectively and efficiently.

### ***Required Areas of Review***

- Compliance with federal, state, local area, and service provider policies and procedures, legal agreements, and the local WIA plan
- Compliance with all provisions in provider contract
- A control system is in place to ensure maintenance of participant records and confidentiality of participant information

### ***Suggested Areas of Review***

- Whether programs are administered effectively and efficiently
- Program performance meets or exceeds negotiated performance levels
- Program activities and outcomes are in line with the established goals of the contract/agreement

## **Financial**

A review of the financial functions ensures the adequacy of internal controls and the reliability of the sub-recipient's financial management system as they relate to the contract. The financial review also ensures that the sub-recipient meets the fiscal terms and conditions of the contract (i.e., cost allocation, fiscal goals or requirements) and that amounts reported are accurate, allowable, supported by documentation and properly allocated.

### ***Required Areas of Review***

- Adequacy of internal controls and the reliability of the sub-recipient's financial management system as they relate to the contract
- The sub-recipient meets the terms and conditions of the contract, cost allocation, fiscal goals or requirements and that amounts reported are accurate, allowable, supported by documentation and properly allocated.
- Sub-recipient expenditures reported are detailed in the contract budget and that the reported expenditures do not exceed the line item budgets.
- Procurement policies and procedures are comprehensive and address certain topics referenced in the One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG).
- Procurement activities are properly supported and documented.
- A control system is in place to ensure maintenance of property management records and procedures are in place to keep property in good condition.

## **Programmatic**

A review of programmatic functions ensures that the implementation of WIA programs is compliant with all applicable regulations and that participants are provided the services they need with regards to their training and employment needs.

### ***Required Areas of Review***

- Compliance with federal, state, and local area guidance regarding WIA implementation.
- Data in participant case files is accurate, reliable, up-to-date, and compliant.
- Participant data reported in the WIA case management and reporting system The Virginia Workforce Connection (VaWC or VOS) accurately reflects the data in participant files.

### ***Suggested Areas of Review***

- One-stop referral system is working to make participant experience seamless from a program and funding perspective.

*Please see Attachment A for review items and references.*

## **D. Monitoring Report and Corrective Action Plan**

Each local area must develop a written monitoring report for each sub-recipient monitored. Monitoring reports should cover the date of the review, number and type of files reviewed, and be structured in a way that assists service providers in reaching their goals by providing them with feedback on program, financial, compliance and performance issues. Monitoring reports must be provided to the sub-recipients within a reasonable timeframe and should clearly identify all findings and required corrective actions.

If there are findings or concerns, a written corrective action plan (CAP) must be submitted by the sub-recipient to the LWIA according to the timeframe set forth by the local area. Local area monitoring reports, corrective action plans and follow-up activities must be available for state and federal review.

Local area monitoring policies should include both the process used for monitoring sub-recipients and a timeline for monitoring activities, reporting and corrective actions.

Monitoring work papers record the activities that occurred during the monitoring visit and form the rationale for the monitoring report. These papers are a necessary part of the review process and serve to validate the information collection process.

## **Part II- State Technical Support Related to Monitoring**

In addition to conducting statewide monitoring of the local areas, the state provides ongoing assistance to help local areas reduce risk, achieve WIA compliance, strengthen and focus their corrective actions plans, and improve program performance standards. This support may include the following forms:

- **One-on-One Local Area Assistance**
- **Sharing of documents, tools, etc.**
- **On-site Local Area training (topics of specific interest/need of local area)**
- **State-wide training**
- **Local Monitoring Network**

The Local Monitoring Network (LMN) was formed as a resource for all local areas. A current contact list/network of all local area monitors is managed at the state level and calls are held by the state on a quarterly basis to provide periodic communication on promising practices, areas of concern and potential training opportunities. This communication provides a way for local monitors to share ideas, tools and best practices and will serve as a way to target topics or areas where additional training or guidance is needed.

## ATTACHMENT A

### REFERENCES AND COMPLIANCE AREA GUIDELINES

#### REFERENCES

Local area implementation and monitoring of the Workforce Investment Act must be compliant with federal, state, and local statutory or regulatory requirements and may reference the following:

##### Federal

- Workforce Investment Act of 1998, Sections 117(d)(4), 184(a)(2)(A), 184(a)(3)(A), and 184(a)(5)(A)
- Department of Labor, Employment and Training Administration, 20 CFR 652 et al. Workforce Investment Act; Final Rule
- 29 CFR Part 37, Implementation of the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998; Final Rule
- 29 CFR Part 95 Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non Profit Organizations, etc.
- 29 CFR Part 97 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
- Department of Labor, Employment and Training Administration's Training and Employment Guidance Letters (TEGLs) <http://wdr.doleta.gov/directives/>
- Single Audit Act Amendments of 1996, July 5, 1996 (Public Law 104-156)
- OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations (June 30, 1997)
- OMB Circular A-133 Compliance Supplement (see OMB Circular A-133 (§\_\_\_\_.500(d)(3))
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
- OMB Circular A-122, Cost Principles for Non-Profit Organizations
- Office of Financial Management, State Administrative & Accounting Manual

##### State

- Virginia Workforce Council (VWC) related policies <http://vwn.vccs.edu/resources/workforce-professionals/wia-state-plans-and-policies/>
- Virginia Workforce Letters (VWLs) <http://vwn.vccs.edu/resources/workforce-professionals/administrative-guidance/>
- Approved Training Vendor List <https://www.vawc.virginia.gov/altentry.asp?action=indguest&whereto=eduprovs>

Local

Refer to the local workforce investment area's policies for specific guidance.

**COMPLIANCE AREA GUIDELINES****Administrative review items**

Could include, but not be limited to the following:

Sub-recipient Contract compliance  
 Contractor policies align with federal, state, and local WIA guidance  
 Adherence to Resource sharing agreement/cost allocation  
 Adherence to associated MOUs/ Operator agreements  
 Prior monitoring reports /corrective actions  
 Actual Performance  
 Service Provider Exit Strategy

**Financial review items**

Could include, but not be limited to the following:

Internal Controls  
 Expenditures  
 Financial Transactions/reporting  
 Reimbursement requests  
 Procurement  
 Cash Management  
 Payroll  
 Inventory  
 Cost allowability  
 Cost limitations and categories  
 Percentage of budget expended vs. number of contract months remaining  
 Cost allocation (if applicable- the type and method of the allocations and the formula used to derive the percentages)  
 Sub-recipient A-133 Audit requirements  
 Petty Cash (if applicable)  
 Property management

**Programmatic review items**

Could include, but not be limited to the following:

Participant file review

#### WIA Adult/Dislocated Worker/Youth Eligibility verification documentation

- **General** program eligibility, e.g., United States (U.S.) citizenship (or right to work in the U.S.), age, and selective service registration; and
- **Specific** program eligibility, e.g., income level, dislocated worker criteria, or a youth barrier.

#### Program documentation- signed and dated (application, releases, EEO and grievance notice, etc.) Service delivery and documentation

- Appropriate progression of services (core-intensive –training)
- Documentation of need and referral to more intensive services
- Documentation of appropriate assessments (TABE, Career Interest, Skill, Pre/Post work readiness)
- Documentation that services are in line with assessments and interests (IEP/ISS)
- Documentation that supports training and tracks payment for training
- Documentation of need, classification and payment tracking for supportive services
- Priority of service is followed

#### Training

- Required documentation is complete and in participant files (contracts, training plans, ITAs, application for other financial aid, etc.)
- Compliance with local area guidance on training (cost caps, documentation requirements, etc.)
- Documentation shows that training is appropriate for participant and provides access to transferrable skills

#### VOS

- Activity codes must match records in participant files and be reflective of services provided
- Activities must be entered into the system within 14 days, in accordance with the guidance on Timely Data Entry (VWL 08-07)

#### Case closure, exit

- Cases are not being held open for lengthy periods of time when services are not being provided to participants
- VOS records and written documentation that supports use of global exclusions, if they are applied

#### Follow-up

- Documentation that post-employment follow-up services designed to ensure job retention, wage gains, and career progress is being done
- Follow-up is recorded in VOS to ensure performance related items are captured (may be entered under individual activities, case closure, or in Follow-up dropdown box)



Delivery of Services

Quality of Services

Customer Satisfaction

EEO Requirements/Grievance Procedures

MIS Reporting & Services Tracking