



## **MONITORING POLICY**

### **POLICY #: 2003**

Date of Original Policy: 02/17/2009  
Effective Revision Date: 5/27/2015

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#### **BACKGROUND:**

Federal and State funding administered by Workforce Southwest Washington (WSW) requires a monitoring system with regular oversight of each sub-recipient's funded activities. Regulations also require WSW to continuously monitor grant-supported activities in accordance with uniform administrative requirements, the grant requirements and [OMB 2 CFR Part 200](#).

#### **POLICY:**

WSW is responsible for formal and continuous monitoring of its contractually funded sub-recipients. In addition, WSW will formally monitor all sub-recipients receiving state or federal dollars in accordance with the grant requirements. WSW will provide technical assistance as necessary. WSW fulfills this statutory responsibility described in [WIOA Section 183](#) and [OMB 2 CFR Part 200](#) as outlined below:

- 1) WSW has established and adheres to appropriate systems for award and monitoring of contracts with sub-recipients. The system contains acceptable standards for accountability;
- 2) WSW enters into contracts with sub-recipients that establish clear goals and obligations in unambiguous terms;
- 3) WSW will evaluate each sub-recipient's risk of non-compliance with Federal statutes, regulations, and the terms and conditions incorporated in the contract. Determining risk factors could include, but not limited to:
  - a. The sub-recipient's prior experience with similar contracts.
  - b. The results of previous audits and/or monitoring and the extent to which the same or similar contract has been reviewed.
  - c. Whether the sub-recipient has new personnel or new or substantially changed systems
  - d. Sub-recipient's budget amount in relation to the grant budget.
- 4) WSW takes prompt and appropriate corrective action upon becoming aware of any evidence of violation of federal or state, associated regulations, state provisions, WSW policy, and sub-recipient agreements.

#### **PROCEDURES:**

The specific monitoring and related procedures conducted by WSW to fulfill its responsibilities include the following:

- 1) Submission of an annual Monitoring Plan as required by grantors and monitoring of the sub-recipient and review of sub-contractor monitoring reports.
- 2) A thorough review of invoices and supporting documents submitted by the sub-recipient to assure that expenditures have been made appropriately against cost categories and within cost limitations. WSW generates its own required invoice for each sub-recipient which serves as an ongoing budget monitoring tool, at every billing.
- 3) A thorough review of financial records and source documents, i.e., invoices, receipts, vouchers, cancelled checks, time sheets, etc.
- 4) A thorough on site review of programmatic records, i.e., participant files including paper and electronic management files, eligibility, and supportive services documentation.
- 5) Review of compliance with WIOA (or other funding source), federal regulations including OMB Super Circular 2CFR200, state and local policies, and the local strategic plan.
- 6) On site review of services and support payments being received, ensure verification of attendance and satisfactory progress for participants who are enrolled in training.
- 7) A thorough review of invoices or reports submitted by the sub-recipients to monitor planned versus actual expenditures.
- 8) A thorough review of management information system documents submitted and entered and/or reports to monitor planned versus actual performance and equity in service delivery.
- 9) Review with the sub-recipient of any exceptions, issues, or lack of internal controls found during reviews.
- 10) Provision of ongoing training and technical assistance to the sub-recipients.
- 11) Provision of ongoing consultation to contractors on the topics of fiscal invoicing and documentation, MIS procedures, documentation of eligibility and service delivery, management, and program service delivery design.

#### **A. Areas of Program Management and Operation Monitoring**

Based on the risk assessment WSW will perform monitoring of program and fiscal management and operation in the following areas:

- WIA/WIOA Adult Program Review
- WIA/WIOA Dislocated Worker Program Review
- WIA/WIOA Youth Programs Review
- Grievance Procedures
- Internal Controls
- Individual Training Accounts
- Management Information Systems
- Personnel, EEO, and Nondiscrimination

- Property Management
- Programs from funding sources other than WIA/WIOA
- Risk Assessment
- Fiscal operations and management including the adequacy of internal controls

This review will be conducted by WSW staff with expertise in each of these compliance areas. Staff will also review randomly selected participant files for completeness, accuracy, and internal consistency of documentation.

### **B. Monitoring Process for all funding sources**

Based on the level of risk assessed by WSW, the sub-recipient may or may not be reviewed on-site.

WSW will review invoices for appropriate and allowable expenditures, including proper indirect and management fee charges on an ongoing basis to ensure contractor is within contractual obligations. Quarterly program monitoring occurs when performance data is collected and analyzed from the MIS system. Risk based sampling of this data is also part of formal monitoring.

Formal reports are compiled subsequent to the fiscal and program monitoring of each sub-recipient. Any findings or questioned costs are addressed in the report and the resolution process is determined. WSW reviews with the sub-recipients any exceptions, issues, observations, or lack of internal controls found, and mutually agree on written plans for corrective action (if appropriate).

The process consists of the following steps:

- WSW conducts a risk assessment
- WSW determines level of monitoring
- Monitoring is scheduled
- Program and Fiscal data is gathered
- WSW Management Review
- WSW will follow up with questions/concerns
- Final Report Issued (within 30 days of review)
- 30-day Formal Sub-recipient Response Time
- WSW Review and Determination of Response
- Corrective Action Plan, if applicable
- Monitoring closed

### **DEFINITIONS:**

Sub-recipient – WSW defines sub-recipients in accordance with OMB 2CFR 200.330, which identifies a sub-recipient as an entity receiving a portion of a Federal award that creates a Federal assistance relationship and is responsible for listed tasks and determinations within the provision of services to the public.

Contract – WSW defines a contract in accordance with OMB 2 CFR 200.22 which states, in part, that “Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.”

Management Information System (MIS) –An Internet based Data Management System is the primary system used to document services in accordance with WSW policy and procedures. To support this technology, provider must have:

- A. Business-grade, broadband internet connectivity.
- B. Network and workstation virus protection that is fully functional and updated at least weekly.
- C. Individual E-mail accounts.
- D. To support the data management system and use accordingly, provider must have:
  - a. PCs with 2 GB RAM or more, and 20 GB or more of available disk space.
  - b. One of the following Internet browser programs: Microsoft Internet Explorer version 9 or newer; Google Chrome version 25.0 or newer; Mozilla Firefox version 21.0 or newer.
  - c. Monitors capable of at minimum a 1024x768 resolution that is comfortable for the user.

Providers are also responsible to maintain a fiscal management system that will support the federal and program requirements. General ledger and payroll systems must have the ability to segregate program costs and document time and effort adequately, within a system of proper internal controls.

Levels of Risk – All sub-recipients of WSW are measured against the current risk assessment tool prior to first contract and at each monitoring check point. According to score, risk levels can be, “high”, “medium” or “low”. These results will influence our ability to initiate a contract, decide on a monitoring level and determine monitoring sample sizes.

Levels of monitoring: Based on current risk assessment tools the location and sampling patterns of formal monitoring procedure may differ.

**REFERENCES/RESOURCES:**

- [Workforce Innovation and Opportunity Act](#)
- [Office of Management and Budget Super Circular 2 CFR Part 200](#)
- [State Policy No. 3425](#)

**WEBSITE:**

<http://workforcesw.org/providers#OperationsPolicies>

**INQUIRIES:**

Please contact Amy Gimlin [agimlin@workforcesw.org](mailto:agimlin@workforcesw.org) (360) 567-1059 for questions.