



Local Oversight Policy and Procedures **Effective Date – September 1, 2023**

I. PURPOSE

Workforce Solutions for North Central PA (North Central Workforce Development Board) has the responsibility to provide oversight and monitoring of programs and activities supported with funds that we manage. This document establishes Workforce Solutions policy on the oversight responsibilities regarding the Workforce Innovation and Opportunity Act (WIOA) and ensures compliance with WIOA and all state and local requirements while at the same time, providing guidance for continuous improvement and technical assistance.

II. REFERENCES

- Workforce System Policy (WSP) No. 183-01 (C1); Administration Oversight and Monitoring
- Workforce Innovation and Opportunity Act (WIOA), Public Law (Pub. L.) 113-128
- 20 Code of Federal Regulations (CFR), WIOA Final Rules and Regulations
- Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR Part 200 et al, and Part 2900
- U.S. Department of Labor Core Monitoring Guide and the Core Monitoring Guide Financial Supplement
- Pennsylvania Sunshine Act, 65 Pa. C.S.A. §701 et seq.;
<https://www.legis.state.pa.us/cfdocs/legis/LI/consCheck.cfm?txtType=HTM&ttl=65&div=0&chpt=7>
- Pennsylvania Right-to-Know Law, 65 P.S. §66.1 et seq.
- Pennsylvania Workforce System Directives; <https://www.dli.pa.gov/Businesses/Workforce-Development/Pages/Pennsylvania's-Workforce-System-Directives.aspx>
- Pennsylvania Management Directives; <https://www.oa.pa.gov/Policies/md/Pages/Forms/AllItems.aspx>
- Training and Employment Guidance Letter (TEGL) 39-11, Guidance on Handling and Protection of Personally Identifiable Information (PII).

III. BACKGROUND

Non-federal entities receiving federal workforce funds shall provide oversight of workforce programs, administration, activities and funds. Fiscal and programmatic monitoring and oversight are designed to ensure performance goals are achieved and funds are used for authorized purposes, in compliance with

federal requirements and consistent with the terms and conditions of the award or subaward. The Workforce Innovation and Opportunity Act, or WIOA, requires that, at a minimum, subrecipient/provider, program and fiscal oversight activities are conducted. Additionally, the Commonwealth requires local workforce development boards, or LWDBs, provide oversight of all workforce programs and activities associated with funds allocated by the Pennsylvania Department of Labor & Industry, or L&I.

IV. DEFINITIONS

Adjusted Goals or Negotiated Levels of Performance – are the negotiated levels of performance after being revised at the end of the program years using the statistical adjustment model (established under §677.170). The statistical adjustment model is run before the program year after the close of the program year to account for actual economic conditions and characteristics of participants served.

Corrective Action Plan – is a formal process used to resolve issues where a local board or other applicable workforce entity violated federal, state and local laws, regulations, contract provisions or grant agreements or conditions, policies, official directives and regional or local plans.

Noncompliance – is any instance or occurrence of failure to comply with applicable federal, state and local laws, regulations, contract provisions, grant agreements, policies, official directives and regional or local plans.

Performance – is defined in U.S. Department of Labor Employment and Training Administration TEGL 9-17. Performance is reported outcomes relative to negotiated and adjusted goals. The manner of these goals' derivation is detailed therein.

Remedial Action / Corrective Action – a progressive series of actions taken by an entity to resolve an identified deficiency relating to noncompliance or nonperformance, produce recommended improvement or demonstrated that a finding is either invalid or does not warrant an action.

Risk Designation/Assignment – is a formal status assigned to a subrecipient regarding the entity's likelihood of noncompliance or nonperformance (e.g., the three levels of risk designation: low, medium, high risk).

Subrecipient – is a non-federal entity that receives a sub-award to carry out part of a federal program, but does not include an individual that is a beneficiary of such program (e.g., local workforce development boards, other partners, contracted service providers and intermediaries are subrecipients). A subrecipient may also be a recipient of other awards directly from a federal or non-federal awarding agency.

V. RESPONSIBILITIES.

Workforce Solutions, as a recipient of funds administered by L&I, shall conduct and document consistent oversight of our programs and activities. This includes the activities of any sub-recipient or contract service provider as shown through this monitoring policy/plan. Oversight shall include a review of the

uniform administrative and fiscal requirements as well as program performance. These activities shall also be designed to ensure compliance with federal, state and local requirements, ensure that the programs achieve intended results and that grant funds and other assets are adequately safeguarded. Workforce Solutions will use oversight as the basis for identifying opportunities for technical assistance and improvement of program and administrative funds.

A. Workforce Solutions' oversight responsibilities include, but are not limited to, the following:

- Administrative.
 - local governance
 - local plans and agreements
 - local board compliance and certification
 - PA CareerLink® certification
 - organizational structure
 - administrative policies and procedures
 - sub-recipient capacity to provide oversight
 - Americans with Disabilities Act (ADA) compliance
 - non-discrimination and civil rights provisions
 - equal opportunity requirements
 - PA Sunshine Act compliance
 - Right-to-Know law compliance
- Program.
 - program management and standards
 - program policies and procedures
 - service delivery
 - access to services
 - participant eligibility
 - performance measures and program outcomes
 - services to priority and special populations
 - record retention and case file maintenance
 - sub-recipient monitoring activities
 - supportive services and need related payments
 - youth activities
 - data analysis
 - data element validation
- Fiscal.
 - fiscal agent responsibilities and activities
 - fiscal policies and procedures
 - fiscal plans and agreements
 - sub-recipient monitoring activities
 - cost allocation and allowability

- resource sharing
- cash management practices
- procurement practices
- internal controls
- reporting requirements
- closeout procedures
- audits
- sub-contract compliance
- program income and reporting
- property management
- record retention
- Generally Accepted Accounting Principles (GAAP) adherence
- payroll administration

Other. Specialized oversight activities may be conducted to investigate allegations of mismanagement, to clarify unusual findings or for any other reason as deemed appropriate.

B. Methods of Oversight

Workforce Solutions has determined the following methods as options that may be utilized to conduct oversight/monitoring of subrecipient/contract service providers:

- On-site visit - Sub-recipients and contract services providers will perform fiscal and programmatic monitoring to ensure all funds allocated to the local workforce development area are adequately safeguarded, program performance goals are met, and local sub-contractors are programmatically, operationally and fiscally compliant.
- Desk review - Sub-recipients and contract service providers may perform desk reviews of programs and related financial and participant data to test compliance to identify potential or recurring problems, to prepare for more in-depth on-site visits, and to conduct more systematic and continuous oversight.
- Random sampling - Sub-recipients and contract services providers may select a pre-defined volume of samples at random to be used to help identify compliance violations, questioned costs and/or potential weaknesses in performance. Note: All participant data or any data that contains personally identifiable information, or PII, must be transmitted using secure email, data encryption, or through a secure document repository (e.g., Move It, etc.) in compliance with L&I's System of Record policy.
- Survey - Surveys may be used to help identify compliance violations, questioned costs or potential weaknesses in performance, as well as to capture promising practices or needs for technical assistance.
- Spot Reviews – review of a specific area(s) that may have been noted in a previous review and/or determined appropriate by the Oversight/Monitoring Team.
- Other – in addition to the above, other methods of gathering information may include:

- Interviews with participants and/or worksite supervisors
- Limited scope audits
- Evaluations by third parties (consultants)
- Telephone calls
- Email communications
- Evaluations of news stories and features about subrecipients/contract service providers, etc.

Note: at all times, protections will be made to access and control all participant data or data that contains personally identifiable information or PII through the use of secure email, data encryption, or through a secure document repository.

Specialized oversight activities such as but not limited to spot reviews may be conducted to investigate allegations of mismanagement or to clarify unusual findings.

C. Oversight Resources

Workforce Solutions provides the following resources to ensure compliance is achieved and maintained by subrecipients and/or contract service providers.

- **Monitoring Tools.**

Workforce Solutions has developed tools to support and ensure the completion of all required oversight activities. Workforce Solutions has taken the varying requirements of each funding stream into consideration in the development of the monitoring tools and in the determination of the most effective activities to be used. The tool for each oversight activity will be included with the final oversight report (below) and must include, at a minimum:

- name of the agency
- name of the individual performing the monitoring
- date of the monitoring
- services or activities provided
- total amount of the contract and sources of the funding
- staff interviewed
- summary of the results that include program strengths, evaluation of program operation, or any combination thereof.

- **Technical Assistance.**

Workforce Solutions provides technical assistance as a means of improving program operations, facilitating the implementation of corrective action, or providing information. Assistance may include, but is not limited to: special training, discussion of areas of concern, evaluation of program operation or any combination thereof.

D. Oversight Process

1. **Activities.**

Workforce Solutions' oversight activities will include monitoring and assessment of each sub-recipient and contract service provider's compliance with federal, state and local laws, regulations, contract provisions/grant agreements, policies, and official directives and compliance with the appropriate uniform administrative requirement for grants and agreements. Oversight activities will encompass both uniform administrative requirements and programmatic monitoring.

2. **Oversight Plan.**

Workforce Solutions' oversight plan is designed to demonstrate that an entity meets the requirements of the grant agreement, on time, and within cost limits and to identify the purpose of performing the oversight activities.

- Oversight Process. Workforce Solutions will follow the oversight process outlined below:
- Risk Assessment. Workforce Solutions' Oversight plan has incorporated the below risk assessment approach:
 - Assess Risks. Workforce Solutions uses a scoring system to assess risk. This method substantially increases the identification of overall risk by identifying which contracts may lead to adverse consequences. See Attachment 1 – Risk Assessment Scoring Sheet.
 - Identify Frequency in which to Monitor Sub-recipients. Workforce Solutions will consider the level of risk when determining how frequently to monitor sub-recipients and/or contract service providers. The greater the risk, the more oversight required. All subrecipients will be monitored per the frequency outlined below.
 - Identify the Factors Used to Assess Risk. Workforce Solutions will utilize the following factors when assessing risk:
 - Is the service provider new to operating or managing state or federal funds, or has not done so in the last five (5) years?
 - Whether the subrecipient has new personnel or new or substantially changed systems?
 - The extent and results of Federal awarding agency monitoring?
 - Does the provider lack effective operational and fiscal procedures and controls?
 - The results of previous audits including whether the sub-recipient receives a Single Audit in accordance with 2 CFR 200, Subpart F- Audit Requirements of this part, and the extent to which the same or similar sub-award has been audited as a major program?
 - What is the contractor's share of the local area's allocation?

- *Project the Risk.* Each of the above factors are assigned a point value to the scoring system. The numerical rating is then used to determine the overall risk associated with, and how often to monitor each sub-recipient. The scoring (point value system) is divided into three sections; high, medium and low risk. Those with “medium” or “high” risk must be monitored more frequently than below. The method of monitoring will be determined by Workforce Solutions.
- *Frequency*
At a minimum, all subrecipients and contract service providers will be monitored for compliance of each of the below monitoring elements as outlined below. The monitoring process will include, but is not limited to, the elements described below:

- *Administrative Oversight.* Monitoring will be conducted at least once each program year.

Activities to be monitored may include: governance, agreements, organizational structure, policy and procedures, capacity to provide oversight, ADA compliance, non-discrimination and civil rights provisions, equal opportunity requirements, etc.

- *Programmatic Oversight.* Monitoring will be conducted quarterly.
Activities to be monitored may include: management and standards, policies and procedures, service delivery, access to services, participant eligibility, performance measures and outcomes, services to priority and special populations, record retention and case file maintenance, supportive services and needs based payments, youth activities, data analysis, data element validation, etc.

- *Fiscal Oversight.* Monitoring will be conducted at least once each program year and more frequently as defined by the risk assessment.
Activities to be monitored may include: cash management practices, program income and reporting, cost allocation and allowability, payroll administration, procurement policies, property management, record retention, audit requirements, performance measures, insurance, separation of duties, and internal controls.

Schedule and Timeline

Workforce Solutions has developed a 3-Year Monitoring Plan that provides a detailed schedule and timeline of the administrative, programmatic and fiscal monitoring to be completed and the due dates.

E. Reporting and Resolution Requirements

The Executive Director in coordination with the Workforce Solutions monitor will submit a written oversight report within thirty (30) days of a monitoring visit to the monitored entity. The oversight report will identify any instances of non-compliance and provide recommendations for corrective action(s) and program quality enhancements. A Corrective Action Plan to rectify any findings must be submitted to the Executive Director by the monitored entity within thirty (30) days of the issuance of the report or as requested in writing by Workforce Solutions.

Follow-up activities will be conducted within 90 days of the date of the corrective action plan approval. A copy of the completed monitoring tool used to conduct the oversight activity will be made available to the monitored entity upon request. The Workforce Solutions monitor will prepare a summary of monitoring findings following any monitoring conducted that is presented for review through a North Central WDB Committee or full board. The respective committee(s) will review and provide recommendations to the full board for approval. Local monitoring results following any monitoring conducted will assist Workforce Solutions with strategic planning efforts, as this may identify an area needing increased Workforce Solutions focus. These reports can enable Workforce Solutions to assess PA CareerLink® and program contractor compliance, plan future technical assistance activities, and adjust policies to reflect emerging economic opportunities. In addition, local monitoring reports will be made available for state and/or federal review.

Summaries of the monitoring reviews will be placed on the Board's agenda during regularly scheduled local board public meetings (at least bi-annually and be appropriately documented in the meeting minutes.

F. Controls

Workforce Solutions ensures that adequate controls for oversight are in place. We will:

- Require periodic reports from the contract service providers outlining monitoring reviews, noncompliance issues and the status of corrective actions;
- Ensure that a briefing regarding oversight activities and findings is provided to Workforce Solutions at regularly scheduling meetings and that the briefing is documented;
- Perform an annual evaluation of the oversight function to determine its effectiveness; and
- Develop the written oversight process to be used in the provision of oversight.

G. Appeals

- When a subrecipient/contract service provider wishes to appeal a monitoring finding or concern, the subrecipient/contract service provider, within fifteen (15) working days of receiving the monitoring report, must provide a written appeal to Workforce Solutions' Executive Director detailing the reason(s) for the subrecipient/contract service provider's objection to the finding or concern, and documentation outlining grounds for appealing the finding(s) or concern(s). Documentation may include written guidance or policy, training materials, or other such

foundation for appeal. The Executive Director for Workforce Solutions will take the matter to the Executive Committee of the board or to the full board for review within sixty (60) days of the receipt of the formal appeal. The Executive Committee or full board will consider the appeal and may request additional information from the subrecipient/contract service provider. When all information is received and reviewed the Executive Committee or full Board will render their decision within fifteen (15) days of their final review. The decision of the Board is final.

- Resolution / Corrective Action– all monitored sites will be given 30 working days to provide written corrective action to Workforce Solutions regarding any findings.
- Final Determination/Response Accepted – If the monitored site is in agreement with the findings and takes the recommended corrective action, no Final Determination is necessary. If the site is not in agreement with the report, the Oversight/Monitoring Team will re-examine the findings. If the findings are found to be valid, the informed site must comply or further action will be taken. If the findings are found to be invalid, the site will be informed in writing that the finding is invalid and no response is necessary.
- Follow Up Review - Within 90 days of site approval, a follow up visit will be conducted to ensure corrective action was taken. The follow up can be conducted in-house if the finding is due to a reporting requirement. For all other findings, the follow up will be conducted on-site. A follow up report will be completed and submitted for approval. When the report is approved, the site will be sent a Follow Up Review Report. If the site is still deficient, the Executive Director will determine what the next course of action is. If correction action has been taken on all deficiencies and the follow up review has been completed, the monitoring process is complete.

VI. RECISSIONS:

None

VII. EXPIRATION:

Ongoing

VIII. INQUIRIES:

Questions shall be directed to:

Pamela Streich, Executive Director at pstreich@ncwdb.org; or
Donna Hottel, Strategic Planning and Project Manager at dhottel@ncwdb.org

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IX. POLICY HISTORY:

Name	Date	Description of Change	Effective Date
Donna Hottel	September 1, 2023	Align with Guidance	September 1, 2023
Donna Hottel	April 6, 2022	Align with Guidance; add work based training	April 6, 2022

Auxiliary aids and services are available upon request to individuals with disabilities.

Equal Opportunity Employer/Program