



DWD Issuance 15-2010

Issued: May 1, 2011
Effective: May 1, 2011

Subject: Sub-State Monitoring Policy

1. Purpose: This Issuance is written to implement Sub-State Monitoring Policy in local Workforce Investment Regions (Region) designated under the Workforce Investment Act (WIA).
2. Background: The Sub-State Monitoring policies have changed. This change is necessary in order to complement the Next Generation Career Center (NGCC) integrated service delivery model.
3. Substance: U. S. Department of Labor Regulation 20 CFR 667.410 (b) (6) authorizes the State to issue additional requirements and instructions to sub-recipients on monitoring activities. The Division of Workforce Development (DWD) will offer technical assistance to the Regions upon request.
4. Action: This Policy is effective immediately. Each Region must review the local Sub-State Monitoring Plan for compliance with this statewide Policy. Any required modifications must be submitted in conjunction with the Planning Budget Summary modification for Program Year 2011/Fiscal Year 2012.
5. Contact: If you have any questions regarding this Issuance, please contact Steve Reznicek, Quality Assurance Manager, at 573-522-3015.
6. Reference: U. S. Department of Labor Regulation 20 CFR 667.410.
7. Rescissions: This Issuance supersedes and replaces DWD Issuance 02-2001, Change 1, issued and effective June 2, 2009.
8. Attachments: (1) Sub-State Monitoring Policy.

Julie Gibson
Director

ATTACHMENT 1



Sub-State Monitoring Policy

Grant recipients or sub-recipients (as appropriate) for each Region must develop and maintain on file, written procedures for the monitoring of subcontractors. The following are considered to be the minimum elements and standards to be included in Region standards.

1. Each Region should identify who will perform the oversight function. Local policies must address the organization and (if applicable) position that will perform any monitoring activities. The policies should outline the method of selecting the organization or position designated to perform monitoring and demonstrate the monitors' independence from the duties or systems being monitored.
2. The WIA mandates the WIBs, in partnership with the Chief Local Elected Officials (CLEO), with responsibility for program oversight (referenced in §117(4) of the WIA). Monitors must submit an annual report each Program Year so the WIBs and CLEOs can make appropriate judgments.
3. DWD requires annual monitoring reports to the WIBs and CLEOs regarding compliance with the terms and conditions of each contractual scope of work. Subcontractor and Region performance reviews must also be provided to the WIBs and CLEOs on an annual basis. Other areas that are to be covered in monitoring reports are the adequacy of assessment, planning of activities and services, coordination with One-Stop system partners to meet the comprehensive needs of customers, and customer outcomes. The WIA requires that when problems are identified, prompt and appropriate corrective action be taken. Reports to the WIBs and CLEOs shall be made in accordance with the appropriate provisions of the WIB/CLEO agreement.
4. The policies must demonstrate that the Region's programmatic and operational oversight systems effectively measure compliance with WIA regulations and DWD policies including all of the NGCC policies.
5. Policies must include a review of program quality and provide for continuous improvement of service delivery. Regional monitoring efforts should include a comprehensive examination of compliance issues cited in prior State and Region reviews; and the determination whether corrective measures taken to address those issues have proven effective.

ATTACHMENT 1

6. Regions must use random sampling techniques in participant file reviews to test eligibility in every funding stream. WIA Adult and Dislocated Worker should be combined for the purpose of sampling NGCC service delivery. Each Program Year, the WIB must monitor one statistically valid sample of WIA core-only enrollments, and an additional statistically valid sample of Adult and Dislocated Worker participants enrolled in any of the following services:

- Classroom Training
- On-the-Job Training
- Work experience/Internship
- Supportive Services/Needs-related payments
- Any other service that results in a direct payment being made to, or on behalf of, a participant

The following sample sizes are required, at a minimum, depending on the universe to be reviewed. These guidelines are applicable for every sample to be reviewed.

Universe Sample Size

1-200	51
201-300	55
301-400	58
401-500	60
501-1,000	63
1,001-2,000	65
2,001-10,000	67

This table is based on random sampling for attributes when the expected rate of occurrence is not over twenty (20) percent with a confidence level of ninety (90) percent, plus or minus eight (8) percent.

7. At a minimum, participant records are to be reviewed for documentation of participant eligibility and/or priority for the programs and services received; orientation to services; orientation of the participant to his/her rights under complaint and grievance procedures; justification for the provision of Intensive or Training services; method of assessment; employment planning; Individual Training Accounts; and the appropriateness and accuracy of participant payments (i.e., supportive services and needs-related payments). Appropriate data entry and posting of outcomes, including the attainment of a degree or certificate and any supplemental employment data, must be reviewed.
8. The monitoring process should include questionnaires and procedures for interviewing customers, employers, trainers, Career Center staff, and should include on-site visits to subsidized employer worksites (i.e., summer youth work experiences or On-the-Job Training).

9. The Regions will conduct annual financial monitoring reviews (FMR) of sub-recipients to ensure fiscal integrity. The FMR will be performed to comply with Section 184(a)(4) of the WIA and Title 29 Part 95 (Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations) or Title 29 Part 97 (State and Local Governments). This review is to ensure the adequacy of internal controls and the reliability of the sub-recipient's financial management system as they relate to the contract. To ensure that the sub-recipient meets the terms and conditions of the contract, fiscal goal or requirements, and that amounts reported are accurate, allowable, supported by documentation and properly allocated. The FMR includes, but is not limited to, reviews of the following accounting process:

- Financial Reporting
- Internal Controls
- Source Documentation
- Cost Allocation
- Cash Management
- Interest Earned on Advances
- Program Income/Stand-in/In-Kind Costs
- Procurement

10. Regions are required to incorporate additional financial and programmatic monitoring policies to ensure funds intended to support stand-alone summer youth programs or other special initiatives are administered in accordance with contractual scopes of work. These policies are to supplement existing monitoring duties and should be conducted during program operation to assure accountability and transparency of expenditures.