



Northwest Georgia

Workforce Development System

Monitoring Procedures

11/2/17

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Northwest Georgia WIOA Monitoring Procedures

Overview

The Northwest Georgia Workforce Development Act (WIOA) monitoring activities are designed to ensure performance and compliance with the WIOA and include the following:

I. Monitoring activities - Types of monitoring activities include the following:

- Risk Assessment**
- Project Start-up (for new and under-performing contractors)**
- Performance**
- Compliance (including Equal Opportunity, Records, and Eligibility) Interviews of contractor staff and trainees**
- Financial (including support and needs-related payments)**
- On-the-Job Training (OJT) and Youth worksites**
- Internal monitoring(including the One-Stop system)**

II. Monitoring Methods - Monitoring methods include the following:

- Desk reviews** of reports and statistics for performance and compliance;
- On-site visits** to review records and interview contractor staff and trainees for compliance and service quality;
- Telephone calls/surveys** to employers and current/former trainees to determine compliance and assess service quality, and
- Other methods** specified by the WDB or WIOA Director

III. Monitoring Frequency - *all contractors receive at least financial monitoring annually. All other monitoring activities listed above are conducted with the following frequency and may be increased at the discretion of the monitor:*

- | | |
|---|---------------------------------|
| “High Risk” Contractors | - at least once annually |
| “Low Risk” Contractors | - at least once every two years |
| Workforce Development Board activities | - at least once every two years |

Monitoring activities will be recorded in a written report provided to the contractor and made available to the WDB Oversight Committee to assist in evaluation and policy development. Deficiencies cited will require a specified time for correction. Monitors will follow up on deficiencies until resolved and noted in written correspondence to the contractor. Exemplary methods and practices will also be cited and circulated to other contractors as appropriate. Details of the monitoring system follow.

I. Purpose and Scope of Monitoring Activities

1.1 Purpose of Monitoring

The purpose of Workforce Development Act (WIOA) monitoring is to ensure the integrity of the WIOA system, 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.

1.2 Monitoring Scope

The scope of the monitoring effort includes all aspects of the WIOA system. Accordingly, monitoring will be carried out both externally (contractors) and internally (Workforce Development Board and staff).

Specific areas of monitoring for **contractors** include

- performance relating to specified goals of the WIOA,
- compliance with contractual and other requirements such as Equal Opportunity and eligibility, review of Management Information System (GEO) data for accuracy, consistency and eligibility,
- review of financial data relating to WIOA activities, on-the-job training employer data and
- identification of “best practices” that may be replicated by others in the WIOA system.

Specific areas of monitoring for **WDB activities** include

- review of internal systems relating to the Board such as board appointments,
- Sunshine Law compliance, and
- minutes of meetings.

Staff systems for review include

- procurement and contracting procedures,
- the One-Stop system,
- eligibility determination,
- monitoring procedures,
- plan development and publication, and
- GEO procedures.

1.3 Staff Responsible for Monitoring

Staff members who carry out the majority of monitoring functions are Contract Representatives, Service Representatives, and/or others specified by the WIOA Director. These monitors report to the WIOA Director, who reviews each monitoring report prior to being mailed to the entity or agency which was monitored, except for the financial monitoring. Financial monitoring is carried out by the Fiscal Technician or others designated by the Administrative Services Director. The Administrative Services Director reviews financial monitoring reports prior to their being mailed to the contractor or agency.

II. Monitoring Methods

Various monitoring methods used for gathering information to answer questions regarding program implementation and management include desk reviews, on-site reviews, records reviews, interviews, observation and independent objective review. These methods are discussed below.

2.1 Risk Assessment

Risk assessment is a method to narrow and concentrate the scope of monitoring reviews to ensure the most efficient use of limited funds. Such assessment allows staff to focus on those contractors who pose the most risk of adverse consequences to the local WIOA system and would not substantially increase the overall risk of negative consequences.

Four areas are evaluated in the risk assessment: (1) the scope of the risk, (2) identification of additional risk exposure areas, (3) risk factors, and (4) projection of the risk. Contractors may be rated either High Risk or Low Risk for the purpose of determining accountability and subsequent monitoring frequency. High Risk contractors should be monitored annually and Low Risk contractors may be monitored every two years.

2.2 Desk Reviews

Desk review monitoring is used for collecting and analyzing information and to support on-site reviews. Desk reviews analyze existing data such as GEO generated reports, contracts, labor market information and prior audits and monitoring reports. Desk review monitoring is also used to analyze contractor performance, to review financial invoices, for closure of monitoring findings and to facilitate the closure of recorded complaints. These reviews may also include telephone contacts with trainees, employers, contractor staff or others.

2.3 On-Site Monitoring

The on-site review is a fundamental component of monitoring data collection. The on-site review allows for the verification of items contained in the contract or identified in the desk review. Essential documents (i.e., registrant files, financial records) are reviewed with minimal disruption to programs, staff and registrants. On-site reviews permit the observation of worksites, training environment, records of training and financial activities and registrants.

Announced visits should be structured to minimize the disruption of training and ensure staff/registrants are available for interviews and/or observation. Contractor staff can plan for the

visit and have appropriate staff and registrants available. Unannounced visits allow the monitor to observe the natural relationship between the service provider and the registrant, allows for an observation of the cohesiveness of training and assists in determining whether training is progressing at acceptable rates. In addition to review of records and other documentation, on-site monitoring involves interviews and observation. These activities are described in more detail below:

2.3.1 Interviews of Service Provider Staff and Registrants

Service provider staff and registrant interviews provide answers to question raised in the records reviews. Interviews provide a more complete, detailed picture of events and provide the necessary context for the record reviews. Interviews are primarily used to gather information about program quality, documenting performance for programmatic monitoring and general orientation purposes prior to compliance monitoring.

Staff Interviews

The purpose of staff interviews is to gain firsthand knowledge of the staff's perception of training quality. Though interviews with "key" staff the reviewer can ascertain whether contractual requirements and all pertinent laws, regulations, and procedures are being met. Staff are interviewed as a component of the site review process.

Case managers perform a critical role in determining the quality of training and continuity of services. Case managers are interviewed to determine the quality of the comprehensive assessment, individual service strategy development and implementation of training and services.

Registrant Interviews

The purpose of registrant interviews is to gain firsthand knowledge of the registrant's perception of training quality. Though corroboration by the registrant the reviewer can ascertain whether contractual requirements and all pertinent laws, regulations, and procedures are being met.

Formal registrant interviews are conducted during the on-site visit. Monitors interview a minimum of 10% of active registrants selected on a random sample basis. Registrants are selected from each title funding the project. Informal registrant interviews are combined with other monitoring activities.

2.3.2 Observation

Nonverbal behavior, records organization, staff and registrants interaction and facility maintenance provide insight in the data collection process. Observation can verify or confirm information from other sources. Training observation assists in determining whether the training is effective, the registrants are learning viable skills at an acceptable rate and can validate or reinforce previous findings.

2.4 Sample Sizes

Generally, a 10% sample of registrants or records are randomly selected by the monitor unless this

percentage results in only one or two being reviewed. At a minimum, at least 5 registrants or records should be interviewed/reviewed. If there are deficiencies or problems identified, then the sample size should be increased until the error rate is less than 10% or 100% of the registrants/records have been reviewed.

III. Monitoring Activities

WIOA contracts requirements create an overlap of performance, compliance and programmatic monitoring. For example, performance requirements are specified in the contract. Therefore, review of a contractor's performance is also contract compliance monitoring. Compliance with contractual requirements can also be viewed as a type of performance by the contractor. References in these procedures to the contract or its provisions are to be considered both performance and compliance monitoring without its being specifically stated.

3.1 Risk Assessment

The purpose of Risk Assessment is to determine the service providers who are most likely to have areas of non-compliance, low performance or other identified risks. Risk Assessment evaluates the degree of risk each service provider poses to the local system.

3.1.1 Scope of Risk Assessment

The risk assessment process includes an evaluation of the relative risk posed by a service provider. This evaluation is accomplished by analyzing the following four areas:

- Definition of the scope of the risk
- Identification of areas of possible exposure to additional risk
- Identification of risk assessment factors
- Projecting the degree of risk

3.1.2 Method of Risk Assessment

Information necessary to evaluate the risk is gathered throughout the procurement/contracting process. Service providers are evaluated and assigned a risk category at the beginning of the contract year. Those with a "high risk" rating will be monitored during that contract year. Those with a "low risk" rating will be monitored every two years except for quarterly desk reviews of performance. "Low risk" contractors will be evaluated at least one additional time during the contract year to ensure that a low risk rating remains appropriate.

3.2 Performance Monitoring

The purpose of performance monitoring is to determine the service provider's ability to implement

the training program or related services as planned. Performance monitoring evaluates the degree of success in achieving measurable performance outcomes.

3.1.1 Scope of Performance Monitoring

The performance monitoring process includes an analysis of program outcomes in relation to stated goals and objectives by activity, and service provider, vendor and in-house programs. Expenditures are analyzed by activity, service provider, vendor and in-house program.

3.1.2 Method of Performance Monitoring - Quarterly Performance Review

Contractor reviews compare contractual performance outcomes included in the contract to actual program outcomes. *In-house program* reviews compare planned performance goals to actual program outcomes. *Vendor* reviews compare performance to determine the quality and effectiveness of training through the number of successful completers, the number entering employment and the number retaining employment. The *One-Stop resource sharing* system is reviewed once per quarter to determine whether planned allocations are on track or need adjustment.

The following performance information is analyzed by the monitor:

Adults	Dislocated Workers
Employment Rate 2 nd Quarter	Employment Rate 2 nd Quarter
Employment Rate 4 th Quarter	Employment Rate 4 th Quarter
Median Earnings 2 nd Quarter	Median Earnings 2 nd Quarter
Credential Attainment within 4 Quarters	Credential Attainment within 4 Quarters
Youth	
Employment Rate 2 nd Quarter	Credential Attainment within 4 Quarters
Employment Rate 4 th Quarter	

The primary source of Adult, Dislocated Worker and Older Youth performance data is the Georgia Work Ready Online Portal (GWROP) contained in the GWROP and contractor/vendor attestation. The Younger Youth performance source is information contained in the GEO as certified by the contractor.

To verify credential attainment and goal attainment, documentation of performance may be requested from the contractor/vendor on a sample basis. This documentation may include credentialing data such as transcripts, diplomas, certification documents, goal attainment verification, or other data as deemed necessary. At least a 10% sample (or at least 5 people) of those attaining credentials/goals will be verified on a quarterly basis. A random sample of trainees attaining credentials will be used.

Results of the desk review may be included within the monitoring report during any quarter in which an on-site review takes place.

Once contractor-specific data is available from the GEO, desk review reports are to be provided

to the service provider, vendor and/or in-house program quarterly, after the WIOA Director (or designee) reviews and approves the report. The report is mailed by the twentieth day of the month following the quarter. Service providers, vendors and in-house programs are required to submit corrective action plans within 10 days if the performance is deficient or other corrective actions are required. Results are transmitted to the WDB and CCEO, as identified in the Internal Monitoring section of these policies and procedures.

3.2 Start-Up Monitoring

Start-up Monitoring is used to familiarize the contractor staff with contract provisions, WDB policies and Northwest Georgia Regional Commission procedures. It also helps the monitor to identify any possible areas in registrant flow that could cause under-performance and discuss plans for improvement of previous deficiencies. It is primarily programmatic in scope.

3.2.1 Purpose of Start-up Monitoring

The purpose of the on-site start-up monitoring visit is to familiarize the service provider with provisions of the contract and applicable policy and procedures. It is an opportunity for the monitor to become familiar with the service provider's operations and allow for early identification of potential problem areas. It provides an opportunity to review planned recruitment strategies, referral patterns, case management, registrant flow, current enrollment levels and termination information. This monitoring activity integrates compliance, programmatic and performance monitoring.

When applicable, prior year monitoring reports are reviewed to determine whether repeated or chronic problems existed. A copy of the final performance report from the previous year is included in the monitoring file. Problem areas are noted and discussed with the service provider during the start-up review which may be on-site or in the WIOA offices in Rome.

3.2.2 Method of Start-up Monitoring

Start-up monitoring is scheduled during the first quarter of contract operation and may be done in a group setting. New service providers are scheduled as early as practical to ensure the service provider becomes operational quickly and staff understands both contract and program requirements.

If the contractor has had a WIOA contract for at least two consecutive years prior to the current contract **AND** if staff and program has not changed significantly **AND** the contractor is rated "Low Risk," a start-up monitoring visit may be waived. A copy of the Start-up Monitoring Waiver form should be placed in the contractor's monitoring file.

The monitor reviews the bid proposal to obtain pre-award related items submitted by the contractor via its initial proposal. Such items may include, but is not limited to financial capability statements, previous audits, bond and insurance certificates, etc.

An on-site review consists staff interviews, registrant record review (if applicable), classroom/

work site observation, the collection and retention of required records and ensure EO and disabled access requirements are in place.

Service providers awarded additional contracts during the program year are not required to have an additional start-up review. A start-up review is not required for the new contract if the services and staff are essentially the same and at least one site visit was provided in the previous contract. A start-up visit is required if significant monitoring findings were uncovered in the previous contract.

3.3 Compliance Monitoring

The purpose of compliance monitoring is to ensure program activities comply with applicable Federal, State and local laws; regulations; administrative requirements and policies and procedures, upon which the release of funds is conditioned.

3.3.1 Scope of Compliance Monitoring

The compliance monitoring process reviews the adherence of contractor operations to the terms of the contract, including contract work statements, assurances, general provisions, and applicable requirements of the Workforce Innovation and Opportunity Act, the Federal Regulations, and State and local policies and procedures.

Compliance Monitoring may be conducted on-site or through desk reviews with each High Risk service provider at least once during a program year and every two years for low risk contractors.

3.3.2 Method of Compliance Monitoring

Compliance monitoring consists of a contract work statement, general provisions and assurances desk review.

A list of enrollees and/or terminees is generated by GEO staff of determined through the on-line GEO to provide information regarding program status (i.e., eligibility status, activity, etc.) of trainees.

An on-site review consists of interviews with service provider, vendor and in-house program staff and/or registrants, a review of registrant files/records, and classrooms and worksite observation. Desk reviews may consist of analysis of information submitted to the administrative agency by the contractor, review of on-line GEO data and telephone contacts with the service provider's staff or registrants. The monitor also reviews the collection and retention of required records and the accuracy of service provider reporting.

Records reviews are an essential element of compliance monitoring or any monitoring approach where record keeping procedures or program activities must be documented. The review of registrant records documents services being paid for are being provided, as specified in the contract as well as documenting services in the GEO

The records review assist in determining whether appropriate people are being served,

registrants are eligible, case files reflect the implementation of the individual services strategy and/or reported performance has been documented. The review of records verifies programs are in compliance with EO requirements, personnel standards are met and other administrative provisions are addressed appropriately. Data in the on-line GEO is reviewed as well as information contained on-site such as assessments, tests, attendance, etc.

All registrant record review areas may not be reviewed during the same on-site visit. For example, eligibility only may be monitored during a single visit because of its complexity. Monitors may also request records to be sent to the NWGRC offices for review.

Ten percent (10%), or a minimum of five (5) records, are reviewed whichever is less. Items to be reviewed are described in the table below:

RECORDS REVIEW	
Instruments and activities used in assessment	Services/training provided through non-WIOA funds.
Attendance	Credentials earned/ goals achieved
Periods of participation	Reason(s) for termination
Training progress	Placement/follow-up services information
Services received and date received	Eligibility (has specific instrument)
Information supporting choice of training	Equal Opportunity (has specific instrument)
Accuracy of test scoring and posting	Support/needs-related payments (has specific instrument)
Registrant contact and career counseling	OJT worksites (has specific instrument)

3.4 Financial Monitoring

The purpose of financial monitoring is to ensure sound fiscal management occurs and contractual requirements are met. Financial monitoring is the systematic periodic review and evaluation of financial operations of the local WIOA area and its contractors. Financial monitoring ensures adherence to general provisions/ assurances of the contract, the Workforce Development Act, federal regulations and local requirements.

Financial monitoring ensures financial accountability and the proper use of program funds. Financial management monitoring ensures accurate and timely reporting and efficient program management. Financial monitoring reviews both the internal and external financial procedures of the administrative entity and service providers.

Three types of financial monitoring, support services/needs-related payment, OJT worksites, youth worksites and review of the audit findings are typically monitored by program staff and are discussed in separate sections of these procedures. The review of audit findings will be within six months after receipt of the subrecipient's audit report and will require that the subrecipient takes appropriate, timely action.

3.4.1 Scope of Financial Monitoring

Financial monitoring is accomplished through monthly desk reviews, monthly invoice reviews and/or on-site visits. The on-site review consists of interviews with service provider staff and/or registrants, observation of the fiscal process, and a review of data available at the service provider's location. **Financial monitoring is conducted on-site with each service provider at least once during a contract period. Any costs requiring prior approval by OMB Circulars will be verified.**

3.4.2 Method of Financial Monitoring - On-Site Reviews

Contracts are reviewed on-site once annually. At least three invoices from one quarter will be selected for the on-site review. This annual financial review consists of a desk and on-site review during which the monitor gathers and reviews the areas specified below for cost reimbursement contracts:

- Workers compensation, general liability, and fidelity bond policies.
- Invoices and backup documentation for reasonableness and accuracy.
- Financial, internal control and personnel policies and procedures.
- Planned versus actual budget and specific line item expenditures.
- Cost allocations and prorations to ensure expenditures are allowable and properly allocated to the appropriate titles and cost categories.
- Independent audit report.

FINANCIAL REVIEW AREAS - COST REIMBURSEMENT CONTRACTS	
Written procedures	Travel expense, documentation
Internal controls	Audit and audit resolution
Cash Management (including petty cash)	Budgetary controls
Space costs	Bank reconciliations
Insurance/bonding	Cost and time allocation
Cost classification	Fiscal reports, invoices
Cost allowability	Staff time and attendance records
Equipment inventory	Payroll deductions

Source documentation for each line item in the cost reimbursement contract is reviewed on site and compared to invoices selected at random from the WIOA Fiscal Department. Adequate books must be maintained on the program expenditures. Shared costs charged to WIOA contracts should have a written and documented cost allocation plan which must be reasonably accurate. Disbursement journal entries and expenditure records must correspond to the planned allocation.

For performance contracts, the annual financial review consists of a desk and on-site review during which the monitor gathers and reviews the areas specified below:

- Ability to produce accurate financial reports.
- Federal and state tax payments.
- Payroll policies and procedures.
- Financial, internal control and personnel policies and procedures.
- Property management policies and procedures

3.4.3 **Method of Financial Monitoring - Monthly Invoice Review**

Contractors with authorized contracts with NWGRC receive payments by submitting a monthly invoice. Before payment is made to a service provider or vendor, the invoice is verified by NWGRC fiscal staff.

Invoice year-to-date figures are compared to the monthly invoice reports generated by the fiscal department. Mathematical calculations of line items and totals are completed and compared to contractor source documentation. Registrant expenses are compared to GEO to determine whether the registrants were enrolled when the expenses occurred.

Documentation is required with monthly invoices and verification of documentation is performed monthly. The monthly invoice is compared to the back-up documentation submitted with the invoices. Each line item or performance benchmark of the invoice must have appropriate back-up documentation which supports the expenditure or payment. Without appropriate source documentation, the item is not paid.

3.5 **Monitoring of On-the-Job Training (OJT) Worksites**

The purpose of OJT Worksite monitoring is to ensure performance of the worksite employer in providing training and wages in compliance with the Act and regulations as specified in the worksite agreement. It is also used to gain firsthand knowledge of the registrant's perception of training quality. Though corroboration by the registrant the reviewer can ascertain whether contractual requirements and all pertinent laws, regulations, and procedures are being met. Desk reviews are used to ascertain that time and attendance records and payroll records are in accordance with the contract provisions for payments to the trainee by the employer and are made prior to payments being made to the employer by the NWGRC.

3.5.1 **Scope of OJT Worksite Monitoring**

The monitor reviews worksite information for each OJT service provider. Compliance reviews are generally conducted on-site. To minimize employer monitoring visits, the monitor may schedule on-site worksite visits in conjunction with the OJT service provider. Reviews of additional worksite contracts with an employer who has been monitored for compliance within the last 6 months may be conducted by phone to minimize workplace disruption.

3.5.2 **OJT Worksite Reviews - Desk Reviews**

Desks reviews are made of documentation listed below. Service provider staff assist in collecting the required data and forwarding it to NWGRC.

- Fiscal Contract Compliance

The monitor determines whether the registrant is earning the salary specified in the contract and modifications have been adhered to by the employer by reviewing the time, attendance and payroll records.

- Time/Attendance Records

The monitor verifies attendance, time worked and corresponding payroll records for the hours worked during the contract period. Time records include time cards, time sheets, daily work orders (job orders) giving tasks and time on task, or other employer specific methods to record hours the employee works.

- Payroll Records

Provider registrant payroll records are reviewed to ensure registrant payroll records are accurate and complete. Worksite invoices are compared with employer payroll records. Records should reflect the name, social security number, hours worked, hourly rate, overtime hours, and overtime rate. Time records are compared to payroll records (i.e., the payroll register) to ensure the accuracy of the payment process.

- Invoicing Procedures (*applicable only when OJT contractor makes employer payments*)

To verify allowable costs are paid to the worksite employer and that payments For reimbursements do not exceed 50%, invoicing procedures are reviewed. OJT worksite payment reimbursements are compared to the OJT worksite contract to determine the accuracy of the calculation. In no case can OJT worksite payment reimbursement exceed 50% of the total wages paid the registrant. Contractor disallowed costs are subtracted from the final invoice.

3.5.3 OJT Worksite Reviews - On-Site Reviews

All worksites may be reviewed at least once during a program year. On-Site reviews are used to determine from the employer's records that contract provisions have been met. It is also used to interview trainees to assess the quality of training provided and the skills being learned. Site visits should be structured to allow as little disruption of the worksite as possible.

Multiple contracts with the same employer will not require more than one on-site review. An employer who has been monitored for compliance within the last 6 months may have compliance monitoring conducted by phone to minimize workplace disruption.

At least 10% of registrants in the OJT activity will be interviewed during the program year. These trainees will be selected randomly by the monitor and maybe contacted by phone in order to reduce worksite disruptions.

3.6 Monitoring of Support Service/Needs-Related Payments

3.6.1 Purpose of Support Service/Needs-Related Payments Monitoring

The purpose of support service/needs-related payments monitoring is to ensure the integrity of the registrant payment and check distribution process.

3.6.2 Method of Support Service/Needs-Related Payments Monitoring

Before the visit, the monitor reviews copies of registrant time and signature sheets from the WIOA Fiscal Department to compare to registrant records on site. At least four (4) weeks of data are reviewed, preferably during one quarter of the year. If the support service/needs related monitoring is done in conjunction with file review monitoring, it is recommended the same registrants are selected for both reviews.

Ten percent (10%) of registrant support payments are reviewed on a random sample basis, or a minimum of five (5) per Title, whichever is less. The sample size is increased for error rates exceeding 10% as specified in Section I of these procedures.

The monitor reviews the following information to verify the following.

- Registrant attendance records indicating attendance for the required three hour minimum.
- Registrants are maintaining passing grades.
- Registrant signatures on forms are consistent with those on other file documents.
- Child care certification form is consistent with the children listed in the GEO or birth certificates are provided. Re-certified child care forms are completed and in the files for registrants in training for more than six months.
- Observance of support payment distribution is performed by the monitor when possible.
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3.6.3 Internal Control

The monitor verifies the service provider has an adequate separation of responsibilities ("checks-and-balances") to safeguard WIOA funds. The system of internal control ensures the same person does not enroll registrants, calculate attendance and distribute payments.

3.7 Youth Worksite Payment Monitoring

3.7.1 Purpose of Youth Worksite Payment Monitoring

The purpose of youth worksite payment monitoring is to ensure the integrity of the registrant payment and check distribution process.

3.7.2 Method of Youth Worksite Payment Monitoring

Before the visit, the monitor reviews copies of registrant time and signature sheets from the

WIOA Fiscal Department to compare to registrant records on site. If the worksite payment monitoring is done in conjunction with record review monitoring, it is recommended the same registrants are selected for both reviews. When possible, at least one distribution of paychecks should be observed by the monitor.

Ten percent (10%) of registrant support payments are reviewed on a random sample basis, or a minimum of five (5) per Title, whichever is less. The sample size is increased for error rates exceeding 10% as specified in Section I of these procedures.

The monitor reviews the following information to verify the following.

- Time sheets indicating attendance for time paid compared to time summary records for accuracy and consistency
- Time sheets are signed by registrant and supervisor and time summaries are signed by responsible contractor staff
- Paycheck signature sheets compared to time sheets for accuracy

3.7.3 Internal Control

The monitor verifies the service provider has an adequate separation of responsibilities ("checks-and-balances") to safeguard WIOA funds. The system of internal control ensures the same person does not enroll registrants, calculate attendance and distribute payments.

3.8 Internal Monitoring

3.8.1 Purpose of Internal Monitoring

Internal Monitoring analyzes the WIOA management procedures and practices effectiveness. The internal monitoring process reviews the management procedures and practices which control the delivery of services and ensure accountability for funds and effective program performance. Internal monitoring is designed to ensure quality control through a "self-checking" process. Internal monitoring is conducted at least once every two years.

3.8.2 Method of Internal Monitoring

WIOA staff persons (not normally responsible for the activity being monitored) or an independent reviewer conduct internal monitoring.

The WIOA Director, or designee, establishes an internal review monitoring schedule, with specific assignments noted, before the beginning of the program years. The internal monitoring process follows the same procedures established for contractor monitoring in regards to reporting, supervisory responsibility (i.e., WIOA Director) corrective actions, follow-up and closure.

The minimum administrative and management functions analyzed are listed below.

- WDB membership and operations.

- Adequacy of procurement and contracting files in documenting adherence to procurement and contracting policies and procedures.
- Adequacy of existing written procedures and their use by program operators and managers in program management.
- Collection of information on program operations/performance and the dissemination and use of that information by program managers, including the WDB (monitoring and reporting).
- Personnel and EO policies and procedures which prohibit discriminatory practices, and promote the objective selection and promotion and fair treatment of job applicants and employees.
- Standard grievance policies and procedures and review a sample of cases to ensure that procedures are being followed.
- Data verification, specifically the adequacy and consistency of documentation on reported outcomes, and clear procedures regarding responsibility and time requirements for collection of verification information.
- Adherence to the provisions set forth by the Georgia Department of Economic Development—Workforce Division and coordination agreements.
- One-Stop System policies, coordination and implementation

The WIOA Director is responsible for ensuring that findings are resolved prior to June 30 of the year in review, as well as, proper transmittal of summary results to the WDB/CCEO in accordance with the WDB/CCEO Oversight section of these procedures.

3.9 WDB Oversight Activities

3.9.1 Purpose of WDB Oversight Activities

Oversight of the WIOA activities in the area is a major responsibility of the Workforce Development Board (WDB). Oversight activities are designed to inform the WDB of the success of the administrative entity and contractors in meeting the goals the board has developed. It also assists in determining whether projects and administrators are adhering to pertinent laws, regulations and policies.

3.9.2 Scope of WDB Oversight Activities

At regular board meeting, administrative staff inform the board of management information such as numbers of people served, occupations being trained for, expenditures compared to budget, and area-wide performance in meeting standards. Additionally, at least twice per year, staff report on the performance of individual contractors (when available), as well as the progress and results of monitoring activities. Ideally, these reports are presented after approximately six months of operation during a program year and toward the end of the program year. This allows for adequate

collection of data to formulate the management information.

Serious deficiencies or questionable actions may be brought to the WDB's attention at any point during the year so that sanctions or other remedies may be imposed. Financial information relating to annual audits of the administrative entity and contractors will be reported by the Director of Finance. The WIOA director, or designee, shall have the responsibility of providing the program oversight information to the board.

Other types of oversight activities that may be taken include board visits to contractors, participating in State or federal monitoring exit interviews or taking part in One-Stop activities.

IV. Monitoring Parameters

4.1 Staffing

Monitoring is performed by the WIOA staff and other individuals designated by the WIOA Director. Monitoring staff do not monitor any program, activity, or managerial/ administrative function for which they have other potentially conflicting duties or responsibilities. Staff with monitoring responsibilities report directly to the WIOA Director, or designee. The WIOA Director (or designee) reviews all monitoring reports, follow-up reports, corrective actions, etc., prior to their being mailed to the contractor or in-house program.

4.2 Staff Training

Staff is cross-trained in compliance, performance and programmatic program areas. For example, program staff is trained to track OJT payments at the employer's worksite while providing programmatic monitoring. Monitoring findings are used to determine service provider and staff capacity building areas. Capacity building of staff and service providers is provided throughout the program year. Ongoing training in fraud prevention is provided at different intervals during the year.

4.3 Standardized Monitoring Forms

Standardized monitoring instruments ensure necessary data is collected and organized so they are usable for analysis. The monitoring instrument guides the collection of program data and information by

ensuring the reliability, thoroughness and correctness of the data collection and analysis process.

Standardized monitoring instruments assure similar information is collected from service providers, vendors and in-house programs. However, monitors are encouraged to expand data collection, if it determined that additional information is necessary. Standardized monitoring data include a mechanism for both financial and registrant tracking systems. Data includes information obtained through GWROP.

4.4 Monitoring Frequency

A performance review of each service provider, vendor and in-house program is conducted at least quarterly. All contractors have financial monitoring conducted at least once during the contract period. Additionally, High Risk contractors receive at least one on-site compliance review per year, while Low Risk contractors may receive this monitoring activity once every two years. Training sites may receive an unannounced visit annually. When feasible and appropriate, the unannounced visits is conducted by the WIOA Director, or designee, to allow for a second-party perspective.

4.5 Scheduling Monitoring Activities

The monitor develops an annual monitoring schedule which is reviewed and approved by the Director, or designee, to ensure adequate monitoring occurs. This schedule is used only as a guide for activity planning. It may be changed or modified as needed. Visits may occur as established in the annual monitoring schedule or may be prompted by some event such as a complaint, poor performance, negative managerial patterns, or unusual EO data. When possible, visits may be coordinated with registrant testing to allow an opportunity for examination proctoring by WIOA staff.

4.6 Monitoring Notes

Monitoring notes or workpapers record the activities which occurred during the monitoring visit and form the rationale for the monitoring report. Extensive notes are a necessary part of the review process and serves to validate the information collection process. Monitoring notes are maintained in the NWGRC file by service provider, vendor or in-house program. Monitoring notes include the information listed below.

1. Who was interviewed (staff and/or registrant).
2. What was observed.
3. Documents reviewed (obtain copies if there are problems or exemplary items).
4. Follow-up on previous problems.
5. Questions by the service provider, vendor and/or in-house program staff and answers provided.

4.7 Exit Interviews

An exit interview provides the project director an opportunity to discuss monitoring findings. However, there are situations where all findings are not determined until the monitor completely reviews the information obtained through the desk review and site visit. On these occasions, the monitor contacts the service provider, vendor and/or in-house program and informs staff of the additional findings and required actions and/or recommendations. A copy of the additional findings, with required actions and/or recommendations are provided (faxed) to the service provider, vendor and/or in-house program and included in the monitoring report.

4.8 Monitoring Reports

Written monitoring reports are structured to assist the service providers in reaching their goals by providing feedback to them regarding performance and compliance issues and document the NWGRC's monitoring activities. Written reports are developed following monitoring activities and employer contact. Standardized monitoring reports assist in problem identification. Monitoring reports also assist in identification of service provider trends. Reports are designed to flow into the PIC oversight process.

Draft monitoring reports developed for each monitoring review are to be completed within ten (10) working days. The draft report is routed to the WIOA Director, or designee, for review and comment prior to finalization. The report is sent to the service provider, vendor and/or in-house program within thirty (30) days of the monitoring review and a copy maintained at NWGRC. The report is clear and concise to facilitate use as a management tool by the service provider, vendor and/or in-house program.

Contractors develop and submit responses to required actions and/or corrective action within 10 working days of transmittal of the report. Desktop and/or on-site follow-up and technical assistance by the State monitor occur no later than 10 working days after the scheduled completion of corrective actions. If the corrective actions are adequate to resolve findings, notification is provided within 10 days. If the corrective actions are inadequate, notification is provided within 10 days and sanctions imposed and/or further direction provided.

4.8.1 Monitoring Findings

Program deficiencies which negatively impact the program are identified, recommendations for improvement noted and included in a written report. Findings are listed below.

- Areas of noncompliance with the WIOA, regulations, Geographic Solutions System, local WIOA procedures, Northwest Georgia Plan, and/or the contract.
- Programmatic area which might interfere with program operation.
- Program success, i.e., effective coordination, case management.
- Potential problems which could adversely affect the program.
- Follow-up information.

Findings are a concise statement of fact and include the information listed below.

- Background information.
- Problem analysis (specific or ongoing).
- Outline of what was reviewed (i.e., files, registrants, work-sites, contract, personnel policies, etc.).
- Size of the sample taken if appropriate. Names of interviewees or files reviewed are indicated in the monitoring notes, but not mentioned specifically in the report (examples are "Ten files were reviewed . . ." or "Three registrants were interviewed . . .").
- Registrant interviewed (if necessitated by unfavorable circumstances discovered during the review).
- Corrective action and time frames for corrective

4.8.2 Monitoring Recommendations

Suggestions for program improvement are provided to the service provider, vendor and/or in-house program. Major recommendations are included in the monitoring report.

4.8.3 Monitoring Required Actions

a.. Desk Review

The monitor indicates deviations in actual versus projected performance which effects the service provider, vendor and/or in-house program's ability to meet quarterly and/or yearly contract goals. When deviations in projected performance are more than 15% (or greater than five people) are noted, required action(s) are included in the report.

Examples of possible required actions include submission of an outreach/recruitment plan, budget modification requests to align expenditures, job development plans or other appropriate actions. In some cases a requirement to attend training may be a required action to expand the knowledge base and expertise of the service provider, vendor and/or in-house programs.

Service provider, vendor and/or in-house program performance continually (two consecutive quarters) below contract goals are considered noncompliant and the contract and subject to deobligation of funds and/or contract termination, if appropriate.

b. Site Visit

Items in violation of WIOA, and/or other applicable laws and interpretations are identified and corrective action outlined. Deficiencies in performance, compliance or programmatic review areas are cited in the monitoring report as a "Required Action." The deadline for corrective action is dependant upon the problem severity and is specified in the report. Follow-up on required action(s) occurs through an additional on-site review or a desk review.

4.9 Complaint Investigation and OIG Notification

Complaint investigation is initiated within 48 hours. Follow-up site visits are scheduled as necessary. Suspected fraud or abuse, misapplication of funds and/or gross mismanagement requires OIG contact to determine the action which may be taken. Contact with OIG is the responsibility of the WIOA Equal Opportunity Officer or designee.

The monitor notifies the Director of suspected cases of fraud/abuse, misapplication of funds and/or gross mismanagement of funds. The Director tracks correspondence regarding the complaint and the investigation, tracks resolution and develops a report outlining the findings. A copy of the report, and applicable back-up documentation, is forwarded to the WDB Oversight Committee (which may be the Executive Committee or other committee designated by the WDB) for discussion at the next scheduled WIOA meeting.

4.9.1 Complaints

Complaints received from applicants, registrants or terminees are investigated promptly and thoroughly. Upon receipt, complaints are logged by the receiving NWGRC staff on the Com-plaint/Inquiry Log.

- The recorded complaint is brought to the attention of the WIOA Director or the Equal Opportunity Officer, within 24 hours of receipt. An investigation is initiated immediately and documented follow-up occurs promptly thereafter.
- The following actions are considered based on the seriousness of the infraction:

An immediate phone call to the WDB chair or WDB designee, if the severity of the complaint so dictates. Copies of correspondence regarding complaints and investigations are sent to the WIOA chairperson or other WIOA designee immediately upon receipt, if the severity of the complaint so dictates.

Status of complaints and investigations may be standard items on the WDB agenda, if the severity of the complaint so dictates.

- The following actions may occur, depending upon the nature of the complaint.

The WDB's sub-committee may handle complaints or other investigations, conduct hearings and track their resolution.

When a formal complaint or investigation occurs, the WIOA Director or the Equal Opportunity Officer will be responsible for addressing the complain. Regardless of action taken regarding the service provider involved, the WIOA Director or WDB may assess the nature of the complaint to determine and correct any weakness in the WDB's oversight process.

Unannounced site visit and/or the imposition of sanctions.

4.9.2 Fraud/abuse

Alleged deliberate action which is in violation of Federal statutes. Fraud and abuse includes, but is not limited to, indication of bribery, forgery, extortion, embezzlement, theft of registrant checks, kickbacks from registrants, intentional payments to a service provider, vendor and/or in-house program without the expectation of receiving services and payments to "ghost" registrants.

4.9.3 Misapplication of Funds

Misapplication of funds is defined as the use of funds, assess or property not authorized or provided for in the grant or contract. Misapplication of funds includes, but is not limited to, political patronage, use of registrants for political activities, ineligible enrollees, conflicts of

interest, not reporting income from Federal funds, violations and the use of WIOA funds for purposes other than WIOA purposes. This does not apply to cases of minor mismanagement. Intent to misapply funds must be present to meet this definition.

4.9.4 Gross Mismanagement

Gross Mismanagement is any actions or situations arising out of management ineptitude or oversight which leads to major violation of contract provisions and/or which severely hamper accomplishments or program goals. Gross mismanagement includes, but is not limited to, in- auditable records, unsupported cost, highly inaccurate fiscal reports and/or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service and lack of control procedures.

Once determined that further action is warranted, the WIOA Director follows the procedures established in the State of Georgia. Once determined that no further action is warranted, the WIOA Director assesses the nature of the compliant or action to determine whether a weakness exists in WDB's oversight process.

4.10 Sanctions

Monitoring activities provide the data necessary to compile reports for the WDB. The WDB is informed of existence of potential significant problems or complaints regarding contractors. The WDB considers the imposition of sanctions against contractors. The process is detailed below

1. The monitor observes a deficiency, or a complaint is received, which requires action. In the case of an observed deficiency, the monitoring report sent to the service provider cites the finding and required corrective action. In the case of a complaint, the process described in these policies and procedures are followed.
2. A deficiency not corrected within the specified time frame, may warrant the contractor being given additional time (usually equal to the first), to resolve the corrective action.
3. Sanctions are imposed considering the willfulness, flagrancy, and extent of the deficiency.
4. If the Contractor disagrees with the imposed sanction, it may appeal using the area's grievance procedures in effect at the time of the occurrence.
5. The specific sanctions which can be imposed relate to the specific violations and/or to the scope of violations. Sanctions include the items listed below.

Types of Sanctions	
Designation of highest-risk status resulting in increased documentation requirements, and/or increased monitoring frequency and/or scope.	Disapproval or adjustment of requests for WIOA funds until the violation or deficiency has been corrected.
Disallowance of costs associated with the particular violation or deficiency and seek repayment.	Reallocation of unexpended or unobligated funds.
Contract de-obligation.	Contract cancellation.