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applicable uniform cost principle included in Title 2 Part 200 for the type of entity receiving the funds.

WIOA Section 184(a)(3), Uniform Administrative Requirements, requires that each state and Local Area, Local Boards, CLEO and providers receiving funds under Title I shall comply with the appropriate uniform administrative requirements for grants and agreements, as promulgated in Title 2 CFR Part 200.

Title 20 CFR Section 683.400(c) sets forth the general fiscal and administrative rules applicable to the use of WIOA Title I funds. It stipulates that entities receiving WIOA Title 1 must follow the uniform administrative cost requirements in Title 2 CFR Part 200, as applicable to their type of organization. ***For non-profit organizations, the applicable requirements are at Title 2 CFR Part 200.70.***

Title 20 CFR Section 683.400 (c)(1) requires that subrecipients must continuously monitor grant-supported activities in accordance with the uniform administrative requirements at Title 2 CFR Part 200, as applicable. Title 20 CFR Section 683.410 (a)(1) requires that each subrecipient must conduct regular oversight and monitoring of its WIOA activities and those of its subrecipients and contractors. The purpose of this requirement is to ensure that expenditures meet the cost category and cost limitation requirements of WIOA and the regulations, that there is compliance with other provisions of WIOA and the regulations and other applicable laws and regulations, and to provide technical assistance as needed.

Title 2 CFR Part 200, Section 200.318 requires subrecipients to ensure that the procurement receipt, and payment for goods and services received from vendors comply with laws, regulations, and the provisions of vendors' contracts and agreements. The WIA Directive WSD 12-10 provides combined state and federal guidance regarding the procurements of goods and services.

Title 20 CFR Section 683.410(b)(6) states that the Governor may issue additional requirements and instructions to subrecipients regarding monitoring activities.

#### **DEFINITIONS:**

***Center/Affiliates*** means the South Bay One-Stop Business and Career Center - Inglewood and its Affiliates which are located in the cities of Carson, Gardena, and Torrance. The comprehensive one-stop center is located in the City of Inglewood.

***Chief Local Elected Official (CLEO)*** The CLEO is the chief local elected official(s) elected among the consortium of Local Elected Officials (LEOs) representing the LEOs in the Workforce Development Area.

***Local Elected Official (LEO)*** The LEOs are the local elected officials of a county. The

***Subrecipient*** means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a federal program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

Each subrecipient of funds under title I of WIOA must conduct a regular oversight and monitoring of its WIOA programs and those of its subrecipients and contractors in order to:

- Determine that expenditures have been made against the proper cost categories and within the cost limitations specified in the Act and the regulations in this part;
- Determine whether there is compliance with other provisions of the Act and the WIOA regulations and other applicable laws and regulations;
- Assure compliance with 2 CFR Part 200; and
- Determine compliance with the nondiscrimination, disability, and equal opportunity requirements of WIOA Section 188.

## **POLICY AND PROCEDURES:**

### **POLICY:**

Monitoring is the active process of verifying contract and administrative compliance through the physical review of files, records, staff, participants, equipment, and facilities. A monitoring guide and checklist are tools used to assist the SBWIB, Inc. monitor in meeting the objective of making sure the One-Stop Centers/Affiliates and subrecipients are operating in accordance with the above mentioned regulations in the areas of fiscal, programmatic, performance, and contract requirements as agreed upon.

The on-site monitoring reviews (programmatic and fiscal) will be conducted at least once each program year for each internally operated and subrecipient program. SBWIB, Inc. monitor will create and distribute a schedule of monitoring reviews annually.

Reports and other records of monitoring activities must be retained for three years from the date of submission of the final expenditures reports regarding the funding sources monitored. If any litigation, clam, negotiation, audit or other action involving the records has been started before the expiration of the three year period, the records must be retained until all litigation, claims or audit finding involving the records have been resolved and final action taken. (2 CFR Part 200, §200.333)

SBWIB, Inc. shall ensure that the all written reports and other documentation pertaining to monitoring and other oversight activities are made available for review by federal and state official. (2 CFR 200, §220.236).

The assurance that the South Bay Workforce Development Area (SBWDA) and its subrecipients comply with the nondiscrimination and equal opportunity provisions of WIOA and other federal and state nondiscrimination laws. (TEGL 39-11)

The assurance that the South Bay Workforce Development Area (SBWDA) and it subrecipients comply with federal law and regulations for the protection of Personally Identifiable Information (PII) and other sensitive, and confidential information.

## **PROCEDURES:**

### **I. Standard for SBWIB Oversight**

The SBWIB, in partnership with the CLEO, shall oversee activities funded under WIOA Title I, conducted under the Local Plan established pursuant to WIOA Section 108. In addition, the SBWIB, in partnership with the CLEO, shall oversee activities of the One-Stop delivery system established pursuant to WIOA Section 121. The monitoring and oversight must be consistent with the requirements stated in WIOA and its associated regulations, as well as other relevant regulation and Title 2 CFR Part 200. The SBWIB and CLEO have delegated the oversight to the SBWIB, Inc. as the designed administrator. This oversight shall include the following

- A.** As required by Title 2 CFR Part 200.318 the workforce area shall ensure that the procurement, receipt, and payment for goods and services received from vendors including on-the job training employers, are in accordance with the laws, regulations, and the provisions of contracts or agreements.
- B.** Program and activities conducted in the South Bay Workforce Development Area (SBWDA) must be operated in compliance with WIOA and all applicable federal, state, and local laws and regulations.
- C.** All WIOA funded subrecipient contracts must be allowable activities, contract charges must be allocate to appropriate cost categories, and proper fiscal records must be maintained.
- D.** Programs and activities must be effective in meeting the goals established in the four year local plan.
- E.** The training and work environment must be safe for participants and staff members.
- F.** The SBWIB, Inc. must establish and operate appropriate and effective systems that comply with the nondiscrimination and equal opportunity provisions of WIOA and other federal and state nondiscrimination laws.

### **II. Monitoring Process**

The monitoring process is intended to promote a greater understanding by all parties involved in the procedures used in conducting monitoring reviews, promote clarity of communication and efficiency in completing reviews.

#### **A. Monitoring Schedule**

1. A schedule monitoring visits will be provided to Centers/Affiliates and subrecipient. This schedule will ensure that each Centers/Affiliates and subrecipient is monitored twice during each program year.
2. At least one of the on-site monitoring reviews will be a fiscal review.

## **B. Monitoring Parameters**

On-site monitoring reviews utilizing the SBWIB monitoring instruments (programmatic/fiscal) and are conducted for the following:

- a. **Internal Programs** - It has been SBWIB, Inc. practice to utilize an internal monitor to evaluate program and fiscal compliance. However, SBWIB, Executive Director may designate internal staff or an independent entity to conduct monitoring review of internally operated programs. A random sample of participant files will be selected from each distinct program. The sample size will be approximately ten percent (10%) of enrollments from each program.
- b. **Subrecipients** - A review of subrecipients program and or services will be conducted by SBWIB, Inc. monitor or an independent entity. A random sample of participant files will be selected for review. The sample size will be based on contract goals/enrollments. The purpose of the file review is to determine compliance with applicable documentation, policies and procedures.

## **C. Desk Review**

Prior to the scheduled monitoring visit, a desk review will be conducted, which provides the basis for the on-site review. The desk review includes a review of the program's performance goals and its required components. It also includes the review and/or examination of other program related materials such as contracts or subcontracts, previous monitoring reports and corrective action plans. The desk review can indicate a program's accomplishment and problems, as well as serve as a basis for prioritizing on-site visits and developing questions for the on-site review. The desk review may consist of the following:

1. Contract terms and conditions
2. Statement of work and participant plan
3. Program goals and objectives
4. Applicable policies and procedures
5. Review of prior monitoring reports
6. Information on timely submission of required reports/transaction
7. Memorandum of Understanding/In-Kind
8. General ledger
9. Payroll records
10. Supportive services records
11. Cash disbursement journal
12. Procurement policies and procedures manual

## **D. Notice of Selection for Review**

1. The Centers/Affiliates and subrecipient will be notified in writing of the scheduled monitoring visit and provided a copy of the appropriate monitoring guide so they may be fully informed as to the scope and

depth of the review. At this time, it is the Centers/Affiliates and subrecipient's responsibility to confirm or reschedule the visit.

2. Notification of monitoring reviews will include identification of what subject areas are to be reviewed, whether participant or employer interviews will be required, and what kinds of files and sample documentation will be needed. Notification will also include the anticipated duration of the review and the length of any visits.

#### **E. Entrance Conference**

The SBWIB, Inc. monitor will participate in an entrance conference with the Centers/Affiliates and subrecipient's designee to accomplish the following:

1. Introduce colleagues who may be participating in the monitoring review give an overview of the scope of the review, and discuss follow-up issues from past monitoring reviews.
2. The Centers/Affiliates and subrecipient will designate staff responsible for the selected review areas to act as a contact person(s) for the SBWIB, Inc. monitor.
3. The contact person(s) for the SBWIB, Inc. monitor(s) will establish a schedule of appointments (if necessary) for staff interviews if any.

#### **F. On-site Review Process**

1. To the extent possible, the monitor will secure and review monitoring reports for prior findings and completed corrective actions.
2. During the on-site review, the SBWIB, Inc. monitor will notify the designated contact person if there is an issue that could be cited in the draft report. The Centers/Affiliates and/or subrecipient will have the opportunity to perform corrections on-site during the review. If such corrections are acceptable to the SBWIB monitor, the issue may appear in the report with the notation that corrective action has been taken and that further corrective action is not necessary.
3. No original documents may be removed from the Centers/Affiliates and subrecipient's office; rather, the SBWIB monitor original documents for purposes of any review.

#### **G. Exit Conferences**

1. The SBWIB monitor will hold an exit conference with the designated contact person at the completion of the on-site review.
2. During the exit conference, the SBWIB, Inc. monitor will disclose all issues that may be included in the draft report as their potential findings or concerns. If, after the exit conference, the monitor adds additional findings or substantially revises any finding, the designated contact

person will be notified before the publication of the report. If the additional findings or revisions are significant in the judgement of the designated contact person, they can request a second exit conference to discuss the new items.

3. The SBWIB, Inc. monitor will always cite the applicable federal or state law, regulations, or policy that applies to the findings.
4. The SBWIB, Inc. monitor will provide full information on the procedure for responding to the draft monitoring report.

#### **H. Monitoring Report-Draft Stage**

1. The SBWIB, Inc. monitor will issue a draft monitoring report to the Centers/Affiliates and/or subrecipient **within 30 working days after the exit conference. The draft monitoring report will address the results of the monitoring review. Noncompliance issues, as well as concerns that may be potential noncompliance issues, will be documented in the draft monitoring report. The draft monitoring report will reference policies and procedures applicable to noncompliance issues raised. The draft monitoring report will identify the specific findings and provide a time period of 30 calendar days to address the corrective action.**
  - a. Findings that specify noncompliance with the contract, a federal or state law, regulations, or policy related to WIOA. Each finding will have a related recommendation that the Centers/Affiliates and/or subrecipient meet the applicable requirements and, as the SBWIB deems necessary; provide the SBWIB, Inc. with documentation that demonstrates compliance.
  - b. Concerns regarding observed conditions that could become areas of noncompliance or poor program performance. Each concern will have a related suggestion for the program administrator's consideration.
2. The SBWIB, Inc. will provide assistance to the Centers/Affiliates and/or subrecipient in developing a corrective action plan to resolve any findings. Upon receipt of a draft report containing findings, the Centers/Affiliates and/or subrecipient should contact the SBWIB, Inc. if technical assistance is desired.
3. If the results of a monitoring review disclose no areas of noncompliance and no concerns regarding observed conditions that could become areas of noncompliance or poor program performance, the SBWIB, Inc. may issue a final monitoring report at that time. The Centers/Affiliates and/or subrecipient may submit a response to this final report if so desired; however, the Centers/Affiliates and/or subrecipient are not obligated to do so.

**I. Centers/Affiliates and/or Subrecipient's Response to Draft Report**

Centers/Affiliates and/or subrecipient's response to a draft monitoring report may include:

1. A statement agreeing or disagreeing with any findings;
2. The Centers/Affiliates and/or subrecipient's proposed corrective action plan to resolve any findings, including the identification of the major tasks involved and the appropriate timelines for their implementation; and,
3. The Centers/Affiliates and/or subrecipient's interpretation of any issue and any additional information that may help resolve any findings, and
4. Any information the Centers/Affiliates and/or subrecipient choose to submit regarding a concern included in the report.

**J. Final Report**

1. The SBWIB, Inc. will issue a final monitoring report to the Centers/Affiliates and/or subrecipient's within **30 working days** after receipt of the response to the draft report. Based on analysis of the Centers/Affiliates and/or subrecipient's response, the final report will contain those elements noted in section *H. Monitoring Report-Draft Stage*, and will include a narrative of the Centers/Affiliates and/or subrecipient's response that addressed their findings.
2. The final report will differentiate the following:
  - a. Findings that are resolved and closed.
  - b. Findings that are resolved and remain open until SBWIB, Inc. monitor can verify, during a future on-site monitoring visit, that the Centers/Affiliates and/or subrecipient have successfully implemented the corrective action plan as stated in their response.. A Corrective Action Tracking System (CATS) log will be maintained by the SBWIB, Inc. monitor which includes the assigned CATS # and any responses received from the parties.
  - c. Findings that are not resolved may require the Centers/Affiliates and/or subrecipient to provide the SBWIB, Inc. additional documentation and/or a corrective actions plan.

**ACTION REQUIRED:**

Ensure that all career center staff, partners and subrecipients are informed of the content of this issuance.



**INQUIRES:**

If you have any further questions or require further information, please contact the Compliance Manager at (310) 970-7700.

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Jan Vogel  
Executive Director

**Approved by the Executive Committee Minutes: May 10, 2017**