

AUTHORITY: The Michigan Works! Southwest Workforce Development Board is established under the Workforce Investment Act of 1998 (as a "local workforce investment board"), the Workforce Innovation and Opportunity Act of 2014, and subsequent changes. The Board is assigned the responsibility to set policy for the workforce investment system within the local area.

ORDER OF PRECEDENCE: Where any part of this policy shall be determined to be in conflict with any federal, state or local policy, the federal, state or local policy shall take precedence without affecting any other part or parts of this policy.

Monitoring

BACKGROUND The Workforce Investment Act of 1998, the Workforce Innovation and Opportunity Act of 2014, Office of Management and Budget Circulars, and state statutes require recipients (e.g., Workforce Development Boards [WDB]) to exercise independent oversight of programs, services and activities funded by the Workforce Development Agency, State of Michigan (WDASOM) and its successor agencies.

For the programs, services and activities under the auspices of the Michigan Works! Southwest WDB, monitoring shall occur at four levels: State Agency Monitoring, Workforce Development Board Oversight, Service Provider Compliance Monitoring and Service Provider Internal Monitoring

SCOPE All programs, services and activities under the auspices of the Michigan Works! Southwest Workforce Development Board.

REFERENCES WDASOM Policy Issuance 05-03, Monitoring and Oversight, Compensated Absences, Cost Allocation and Audits

WDASOM Policy Issuance 05-02, USDOL Incident Report Procedure and MWA Responsibilities

WDASOM, WIA Manual, November 19, 2014 and subsequent changes

20 CFR Part 652 et.al., Workforce Investment Act: Final Rule, August 11, 2000

Workforce Innovation and Opportunity Act of 2014

Office of Management and Budget, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Chapters 1 and 2

Michigan Works! Southwest Workforce Development Board Policy 12 and subsequent changes, Standards for On-the-Job Training

Michigan Work! Southwest Workforce Development Board Policy 15 and subsequent changes, Work Experience

POLICY

- I. Monitoring by State Agencies
 - A. The Michigan Works! Southwest Agency (MWA) and their service providers shall participate in State Cycle Monitoring conducted by the State Office of Audit and Financial Compliance as well as Program Reviews conducted by other state agencies.

- B. All scheduling coordination, communication, and responses to finding and administrative recommendations from state agency monitoring shall be handled through the MWA Monitor.
- II. Workforce Development Board Oversight
- A. The WDB oversight will include:
 - 1. An analysis of local labor market conditions to identify the workforce needs of area employers.
 - 2. Employer engagement to assure workforce development activities are meeting current local needs while planning for future needs.
 - 3. Identifying and evaluating proven and promising practices for meeting the needs of employers, workers and job seekers
 - 4. Ensure that local workforce development services and activities are consistent with local needs and are meeting or exceeding established performance outcomes.
 - B. Qualitative assessment shall include on-site reviews of program operations, activities and the provision of services to determine consistency with WDB plans and policies.
 - 1. The WDB shall establish and maintain policies and procedures to guide local program management. These policies and procedures shall be based on the requirements of federal regulations, state policies, the “Michigan Works! System Plan,” the MWA 5 Year Plan and specific fund source oversight requirements and plans.
 - a. The policies and procedures shall be reviewed annually by MWA staff and updated as needed.
 - 2. The “Michigan Works System Plan”, the specific fund source plans, and plan modifications shall be reviewed by the Workforce Development Board.
 - 3. Performance data for each program shall be reviewed monthly by the Executive Committee and quarterly by the full WDB.
 - 4. To provide primary oversight, the Monitoring and Evaluation Committee (M&E Committee), a committee of the Michigan Works! Southwest WDB shall be charged with the following responsibilities:
 - a. Review all programs funded by the WDASOM and other federal and state sources under the responsibility of the Michigan Works! Southwest Workforce Development Board at least once during the program contract year.
 - i. Other workforce development programs that are part of the Michigan Works System, but not funded through WDASOM may be included in the WDB oversight process.
 - b. Each M&E Committee program review shall include a written summary of the recent compliance monitoring visit, dialogue with service provider staff, and whenever possible, dialogue with program participants.
 - c. The Committee chairperson, or appropriate designee, serves as the moderator for the review.
 - i. The chairperson shall be a private sector representative.
 - d. The WDB and WDB Executive Committee agendas shall include a standing report from the chair of the M&E Committee
 - e. The committee shall receive staff support through the Michigan Works Agency.
 - f. Minutes of the Committee meetings, including copies of all printed materials distributed at the meeting, shall be kept on file.
- III. Service Provider Compliance Monitoring
- A. Financial Compliance Monitoring
 - 1. The MWA Finance staff shall review the allowability of expenditures for all WDB programs annually. The review procedures:

- a. Shall assure that service provider budgets and expenditures are consistent with federal and state cost principles.
 - b. Shall include a desktop audit of invoices, time sheets, and other documentation for compliance with fund source requirements, generally accepted accounting principles, and subcontract specifications.
 - c. Shall include a written report of findings to the service provider with copies to the MWA Director, Monitor, and other applicable staff.
 - i. The report shall include applicable administrative recommendations and any required corrective action. The type of response and/or follow-up required shall be specified in the report.
 - d. Components of financial monitoring shall also include:
 - i. A review of On-the-Job Training (OJT) agreements and the audit trail that links performance to payment and their consistency with WDB and service provider OJT procedures.
 - ii. Property acquisitions to ensure that they are accurately reported and linked to the funding source and are in compliance with procurement policies and procedures;
 - iii. Cost allocation plans to ensure compliance with federal requirements;
 - iv. Support service procedures and payments to ensure adequate internal controls exist to validate and track payments and consistency with WDB and service provider support service procedures.
 - v. Performance payment procedures and payments to ensure that payments are documented and consistent with established policies and procedures.
 - e. Where applicable based on the Federal Uniform Guidance requirements, a copy of the service provider's financial audit and the data collection, conducted by an outside accounting firm, shall be submitted annually to the MWA for review within the earlier of thirty calendar days after receipt of the auditor's report or nine months after the end of the audit period.
 - i. MWA Staff shall develop and maintain a tracking and resolution system for service provider audit compliance.
 - ii. Service providers shall respond, in writing, to the MWA regarding any audit findings, administrative and/or management recommendations or irregularities.
 - f. Contracts and agreements with service providers shall include the provision to allow on-site auditing to be completed at any time as deemed necessary by the State, MWA Director or other designated MWA staff.
- B. Program Compliance Monitoring
1. The MWA Monitor shall perform specific programmatic and compliance monitoring of service providers as an ongoing function, ensure that necessary desktop monitoring procedures for eligibility and One Stop Management Information System (OSMIS) are in place and being used, and participate in program specific data validation or other compliance reviews as required by the state.
 2. All programs shall be monitored at least once during their contract year.
 - a. Based on service provider performance and to evaluate progress toward expected outcomes, more frequent monitoring may occur.
 3. A schedule for program compliance monitoring shall be set at the beginning of each program year.
 - a. On-site compliance monitoring shall occur prior to the M&E Committee's review of each program.
 4. Program compliance monitoring shall include the following elements.
 - a. A thorough review of a sample of active and inactive participant files.
 - b. A comparison of file documentation with OSMIS data entries.
 - c. Interviews with program participants.
 - d. A review of the service provider's internal monitoring procedures.

- e. An evaluation of OJT and Work Experience files, procedures and sites.
 - f. A review of the procedure for maintaining and disseminating current program policies and procedures and ensuring staff understanding and application of current policies and procedures.
 - g. A review of program operations.
 - 5. The MWA monitor shall provide a written report of the on-site monitoring visit to the MWA Director and the service provider being reviewed within thirty days of the completion of the monitoring visit.
 - a. The report shall detail any findings or administrative recommendations from the on-site review, any necessary corrective actions(s), requests for information, and specify the type of response and/or follow-up required.
 - i. A copy of the report shall be maintained in the MWA central files.
 - 6. The service provider shall have a minimum of fifteen business days from the date of report transmittal to provide a written response to the monitoring report including the development of a plan to address requested corrective actions(s), supplying requested information and responding to any administrative recommendations.
 - 7. Follow-up to the on-site review may take place based on programmatic deficiencies identified and the correction action response.
 - a. This shall be determined by the MWA Monitor and/or Director.
 - C. Eligibility Monitoring
 - 1. Participant eligibility for WIA/WIOA programs shall be monitored at least quarterly by MWA staff
 - a. A random sample of participants enrolled in the previous calendar quarter will be developed, file copies requested and a desktop audit conducted to assure eligibility documentation is consistent with program requirements.
 - b. Service providers shall be notified electronically of any needed corrections or missing documentation.
 - D. Management Information System Monitoring
 - 1. Using state and system generated reports MWA OSMIS staff shall monitor participant activities, data entry and program operations to ensure accuracy and consistency with program and policy requirements.
 - a. MWA staff shall work with service providers to make necessary corrections and/or problem solve identified issues.
 - E. MWA Data Validation Procedures
 - 1. The MWA, in conjunction with service providers, shall participate in program data validation as required by the state.
 - a. The MWA Monitor shall obtain the necessary files/information in the requested format, make the information available to state staff in the time specified, and as available, share the outcome of the data validation process with the affected service providers.
- IV. Service Provider Internal Monitoring
- A. Service providers shall establish and implement internal monitoring policies and procedures to ensure an ongoing review of participant, employer, financial and programmatic management.
 - 1. Areas to be included, but not limited to shall be: procurement and property management; timeliness and accuracy of OSMIS entries; services to protected classes; provision of priority of service to veterans and eligible spouses, participant eligibility and progress; performance outcomes; support services; procedures for OJT; work experience; performance payments; and compliance with federal, state and local policies and regulations.
 - 2. Participant Activity/file monitoring shall be included in this process and the service provider shall monitor a minimum of a 10% sample of active participant files on a monthly basis and document the results of this process.

3. Subcontractors shall use OSMIS standard, as well as program specific customized reports to monitor program operations, participant progress, and performance outcomes to ensure compliance with federal, state and local policies and procedures.
 4. On –the-Job Training (OJT) worksites shall be monitored consistent with federal regulations and WDB policy 12 and subsequent changes, Standards for On-the-Job Training.
 5. Work Experience funded positions shall be monitored consistent with federal regulations and WDB Policy 15 and subsequent changes, Work Experience.
 6. Using the template supplied by the MWA, service providers shall be required to complete a Quarterly Assessment Report that includes a narrative description of performance for the preceding quarter and other elements as may be defined in the template.
 7. As requested by the MWA, service providers shall also supply information for, or respond to requests for reports or additional program information.
- V. Suspected Fraud, Abuse and Criminal Conduct
- A. Known or suspected cases of fraud, abuse, and/or criminal conduct must immediately be reported to the MWA Director.
 - B. Once reported or discovered, the incident must be reported within one work day to the federal and state authorities using the procedures outlined in Policy Issuance 05-02, U.S. Department of Labor’s (USDOL) Incident Report Procedures and MWA Responsibilities.
 - C. Consistent with PI 05-02, the MWA and their service providers shall also notify their employees of the availability of the USDOL hotline for providing information confidentially to the Office of the Inspector General (OIG).

INITIAL EFFECTIVE
DATE 7/1/2007

APPROVED

Initial Policy:	WDB Executive Committee	10/4/2007
Revision 01	WDB Executive Committee	12/3/2009
Revision 02	WDB Executive Committee	10/6/2011
Revision 03	WDB	2/18/2015

EXPIRATION Ongoing