Massachusetts Program Monitoring Process
A Systems Approach

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Agenda

- Why Monitor

- What to Monitor

- How to Monitor

The Law: Why Monitor?

- §20 CFR 683.410
  - The Governor is responsible for the development of the State monitoring system. The Governor must be able to demonstrate, through a monitoring plan or otherwise, that the State monitoring system meets the requirements of paragraph (b)(2) of this section
    - "Each recipient and subrecipient of funds under the Wagner-Peyser Act must conduct regular oversight and monitoring of its WIOA and Wagner-Peyser Act program(s) and those of its subrecipients and contractors as required under title I of WIOA and Wagner Peyser Act"

WIOA Implementation: Training Technical Assistance, Training & Oversight

- WIOA Effectiveness – Consultation, Technical Assistance and Monitoring to assist WDBs to successfully implement WIOA

- Consultation and technical assistance provided to Field Management and local office staff on WIOA Effectiveness including program monitoring

- Review of service models; staff integration; policies and procedures; partner MOUs; eligibility; career services; business services; fiscal procurement and best practices

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WIOA Implementation: Training Technical Assistance, Training & Oversight

- One-on-on and small group training to local AJC staff and managers on customer flow; individualized services delivery, WIOA changes (e.g. Case Management is now Career Planning) and policy and procedural changes

- Expanding understanding of service integration and how it is essential to coordinate service delivery

Systems to be Monitored

- Eligibility System – Including but not limited to: general services for WIOA Title I & Title II, Wagener-Peyser, Youth & Veterans

- Administrative – Performance Measures/Common Measures, Plan Objectives, Labor Market Information, Case Management, Job Development, Career Best Practices Review and Service Goals

- Management Information System & MOSES (Massachusetts One Stop Employment System)

- Individual Training Account System

- Reemployment Services and Eligibility Assessment (RESEA & CCS)

- Career Planning (formerly case management)

- Equal Opportunity/Non Discrimination/ADA/Grievance Systems

- Local Policy

Sample State Monitoring Questions

- Integrated Services
  - Does the center have a common intake process?
  - Does the center have an efficient referral process?
  - How is customer information shared among partners?

- Federal and Local Performance
  - Do partners understand and share local performance plans?
  - How do the partners track shared customers?
  - Does LWDB have an effective performance management plan?

Sample State Monitoring Questions (continued)

- Demand Driven
  - Does the center/LWDB understand local area industry and occupational demand?
  - Can the Center identify and articulate the needs of its customers?
  - Do training offerings align with local demand?
  - What metrics does the center/LDWB use to evaluate demand driven services?

Sample State Monitoring Questions (continued)

- Maximizing Access for Job Seekers and Business
  - Does the Center utilize a customer outreach plan?
  - How does the center/LDWB ensure broadest access for all customers?
  - How does the center identify barriers for targeted populations and mitigate them in service provisions?

- Effective Leadership and Management
  - Does the center/LDWB have an appropriate staff development program?
  - Does management have a process to disseminate federal, state and local policies and guidance?
  - Do the partners practice an integrated management approach?

Performance Monitoring

- Performance Monitoring Includes:
  - Planned service levels
  - Program operation and compliance
  - Expenditures and reporting
  - Actual performance against performance outcome goals

Compliance Monitoring- Program Activities & Services

- Compliance Monitoring of Program Activities and Services to Participants Includes:
  1. Review of intake and referral process
  2. Review of customer flow and quality of services
  3. Review of eligibility determination
  4. Review of assessment tools
  5. Review of vocational training, OJT programs, work experience and supportive services
  6. Record keeping and file maintenance
  7. Data recording and reporting, including data integrity and quality
  8. Policies and procedures

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Compliance Monitoring – Program Administration and Management

- Compliance monitoring of program administration and management practices includes:

  1. Review of internal controls systems

  2. Review of administrative controls

  3. Review of non-discrimination/EEO compliance, policies and procedures

Local Area Monitoring and Tools

- Frequency of Monitoring
  - All local Workforce Board programs will be monitored at least one time per program year (July – June)

- Monitoring Questionnaire
  - The Board should develop a monitoring questionnaire as an oversight tool to gain better understanding of the subrecipients project

- Monitoring Guide
  - The Board should develop a monitoring guide to provide a clear plan of how the sub-recipient's project/program processes are to be reviewed and monitored for compliance with Federal and State regulations as well as the local SOP
  - https://www.mass.gov/service-details/massworkforce-wioa-workforce-development-board-policy-issuances

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Any Questions?

Thank you

Massachusetts Fiscal Monitoring Process

Michael Williams

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Introduction

- The Secretary is authorized to monitor all recipients of financial assistance to determine compliance with federal requirements

- All grantees with subrecipients are required to monitor to ensure compliance with federal requirements

Law

- 20 CFR §683.410(a) – Each recipient and subrecipient of funds under title I of WIOA and under the Wagner-Peyser Act must conduct regular oversight and monitoring of its WIOA and Wagner-Peyser Act program(s) and those of its subrecipients and contractors as required under title I of WIOA and the Wagner-Peyser Act, as well as under 2 CFR part 200, including 2 CFR 200.327, 200.328, 200.330, 200.331, and Department exceptions at 2 CFR part 2900

Purpose of Monitoring

- To Ensure that the grantee is implementing the grant consistent with:
  - Statute
  - Regulations
  - Grant Terms & Conditions
  - Federal financial and administrative requirements including cost principles
  - DOL policy and guidance (e.g. TEGLs etc.)

- Continuous Improvement:
  - Identify weaknesses & areas of non-compliance
  - Identify best practices
  - Provide technical assistance
  - Allow sufficient time for corrective action
  - Follow up to ensure corrective action is completed

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Areas of Fiscal Review

- Annual review conducted on 8 Administrative Systems

- Fiscal System Certification Required Every 2 Years
  - Certified
  - Certified with Conditions
  - Out of Compliance
  - De-Certified

1. Accounting Systems & Reporting
2. Cash and Grant Management
3. Cost Allocation Plan and Cost Classification Methodology
4. Audit
5. Property/Inventory Log
6. Procurement and Contract
7. Personnel Policies and Procedures
8. Fiscal Monitoring

What is a Finding?

- A finding is any "violation of"
  - Law
  - Regulations
  - Grant Agreement
  - Contract Agreement
  - Formal Policy (State and Local)

  An area of concern would be any deficiency that potentially may lead to a finding of questioned or disallowed costs
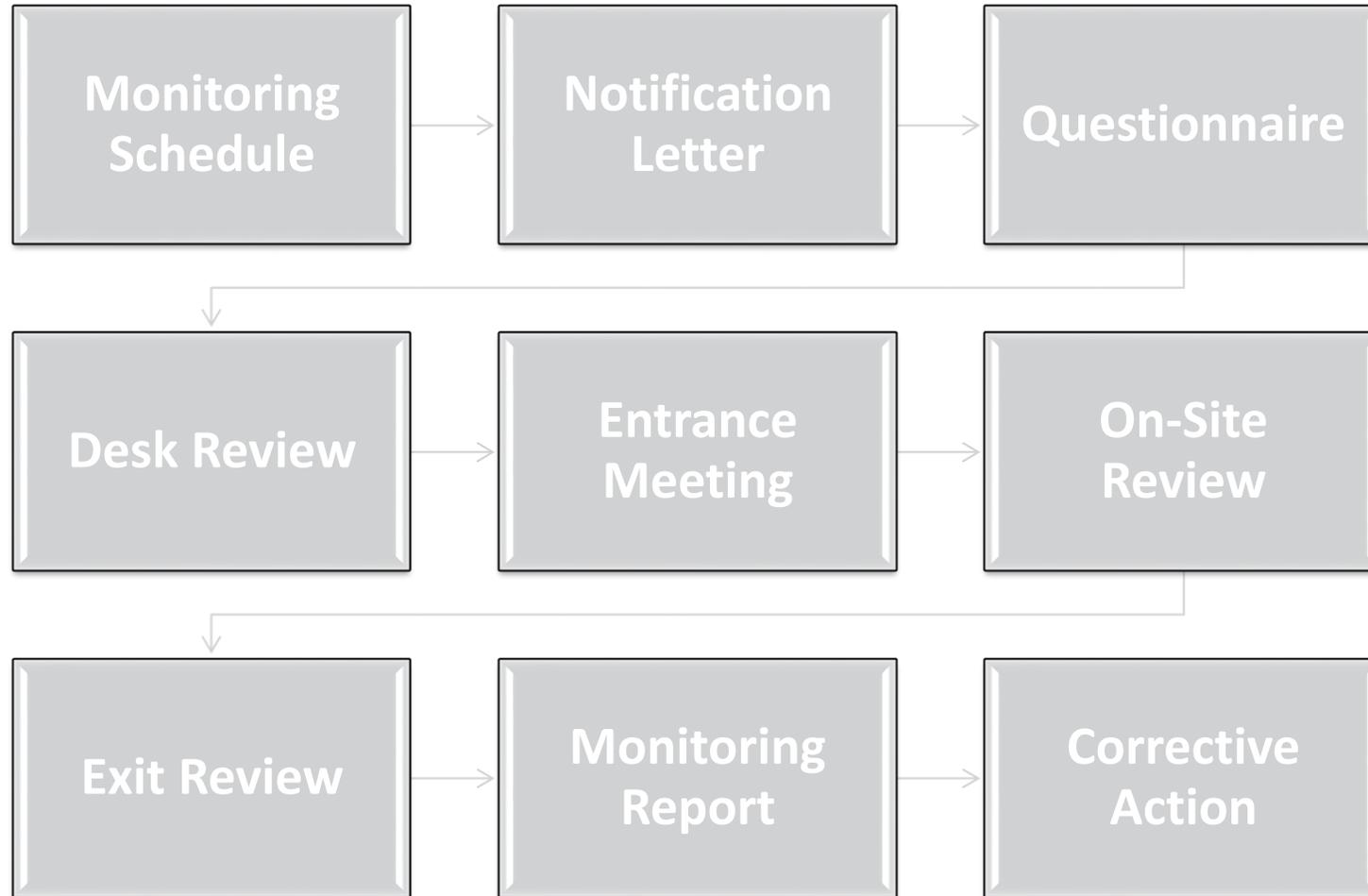
What is Questioned Costs?

- Questioned Costs (ref. §200.84) results from a violation of:
  - Law/regulation
  - Grant, Contract, annual funding plan or financial agreement

  OR

  - Cost that are not supported by adequate backup documentation
  - Cost incurred appear unreasonable or do not meet the "prudent person test"
  - Questioned costs could result in disallowed costs

What is Disallowed Costs?

- Disallowed Cost are those charges to the Federal award that the Federal awarding agency or pass-through entity has determined to be unallowable, in accordance with applicable Federal statutes, regulations, or terms and conditions of the federal award (§200.31)

- Disallowed costs must be reimbursed using non-federal funds following an Audit Resolution process

Fiscal Monitoring Process

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Monitoring      →   Notification   →   Questionnaire
Schedule            Letter
                                           │
                                           ↓
Desk Review     →   Entrance       →   On-Site
                    Meeting            Review
                                           │
                                           ↓
Exit Review     →   Monitoring     →   Corrective
                    Report             Action
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On-Site Review (Using Fiscal Tool)

Review Accounting Systems & Reporting

- Accounting System (chart of accounts, accounting method)

- Separation of duties

- Review of Fiscal Status Reports

  - 80% Expenditures/Obligation spending rate

  - O/S Youth Fiscal 75% spending requirement

  - 30% Training Requirement

  - 20% Youth O/S Work Experience Requirement

- Program Income Reporting

- Close-Out Reports and Supporting Documents

Review Cash & Grant Management

- Several cash draw downs and supporting documents

- Review of cash receipts

- Randomly select 10-20 invoices depending on grants

- Invoices and supporting documents

- Review of bank statements and reconciliation

- Petty cash (if applicable)

- OJT payments

- Support service payments

- Current approved budget

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Review Cost Allocation Plan & Methodology

- Allocation of costs

- Space allocation

- Allocation of shared costs

- Budget vs. actual

- Approved indirect cost rate

Review Property/Inventory

- Costs are properly allocated

- Prior approval has been obtained

- Proper analysis has been conducted (i.e. lease vs. purchase)

- Property log maintained & inventory conducted timely

- For the benefit of the grant

- Proper disposition – documented process

Review Audit Reports

- Audit findings, material weakness, concerns

- Audit Resolution (if applicable)

Review Procurement Policy and Procedures

- Local and State, Federal policies (§200.317 - §200.322)

- Open and fair competition

- Small Purchase Procurement Analysis

- Sole-Source Analysis (if applicable)

- Request for Proposals and documentation

- Procurement Files, RFP, Contract & ITA(s)

- Evaluation of selections

- Two-year Procurement for Youth

- Equipment Purchase >$5,000

Review Personnel Policies & Procedures

- Randomly select timesheets, payroll & personnel folders

- Timesheets of at least 2 periods

- Payroll for the same period as timesheets

- Personnel Files

- Salary and Bonus Limitation ($187,000 –1/17)

Review Subrecipient Fiscal Montioring

- Monitoring Schedule

- On-Site subrecipient monitoring

- Monitoring Tool

- Written Monitoring Reports

- Follow-Up on Deficiencies

Follow Up / Corrective Action

- Review prior year's reports to ensure all outstanding issues have been resolved

- Technical assistance

- Policy/Procedural Changes

- Corrective Action Plan

- Follow-Up

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Audit Resolution Process

- Audit tracking system

- Resolution Process
  - Informal – Draft Initial Determination
  - Formal – Initial Determination
  - Final Decision
  - Notification of right to appeal and process involved
  - Timeframe for Hearing of complaint or grievance
  - Right to appeal to DOL

Examples of Findings I:

- Accounting Systems and Reporting

- <u>Finding # 1: FSRs submitted late</u>

- 20 CFR 683.300(c)(1)-(2) & 683.300(b)(2)

- TEGL No. 02-16

- FSRs for FY16, June 30, 2016 and FY17, September 30, 2016 were submitted late. The State is required to submit Financial Reports to ETA 45 days after the end of each quarter. In order for the State to submit Financial Reports in a timely manner, DCS requires the local workforce development areas to submit FSRs by the 15th day following the end of the quarter. FHETC's June 30, 2016 FSR was submitted on August 23, 2016 and the September 30, 2016 FSR was submitted on November 1, 2016.

- *Action:*   FHETC must submit all required FSRs by the 15th day following the end of the quarter.

- Please respond to the problem within 30 days of receipt of this report.

Examples of Findings II:

- Finding # 2: / Mass Workforce Issuance # 100 DCS 01.102

- The local area did not document a Failed Procurement Analysis before they awarded a WIOA Youth services contract to the one bidder who submitted a proposal. The Minutes of the Review Committee meeting indicated that there was discussion about receiving only one proposal and an e-mail stated the Committee followed the Procurement Guide and determined that the procurement process was sound and that only one bidder was available and willing to provide the required services.

- If only one proposal is received in response to an RFP, the local area must conduct a Failed Competition Analysis, which addresses the following questions prior to the decision to award a contract:

- Was there a weakness in the solicitation specifications? Was the statement of work clear?
    - Was the statement of work too narrowly defined?   Were the administrative requirements too cumbersome?   Was there an excessive amount of experience required?
    - Was the cost the entity was willing to pay too low?   Was there adequate time to prepare proposals? Was the solicitation advertised in an adequate number of locations?

- Are the services/training being sought really only available from one offeror? Answers to these questions need to be justified and documented.

Examples of Findings III:

- <u>Procurement and Contracting:</u> Mass Issuance 100 DCS 01.102

- Finding #3 Procurement and Contracting states, Retroactive Contracting (after-the-fact) for new contracts or for active contract change/modifications is not allowed. Those Governmental entities and other organizations subject to more restrictive state or local procurement thresholds and requirements, e.g., Massachusetts General Laws Chapter 30B, must comply with the more restrictive policy.

- A modification to a PAACA contract was signed after the effective date of the modification. The GNBWIB policy allows modifications to be signed after the fact but before payment of an invoice. Mass Issuance 100 DCS 01.102 is more restrictive.

- Action: GNBWIB must follow the policy that is more restrictive.

- Please respond to the finding within 30 days of receipt of this report.

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Exit Interview

- Prepare notes for exit interview

- Meet with staff to discuss summary of review

- Conduct exit on-site or via conference call

Single Audit Process

Questions?

- Any questions or comments on today's fiscal presentation?

Thank you!