



Statewide Sub-State Monitoring Requirements

The State and Local Workforce Development Boards (LWDB) must develop—and maintain on file—written policy and procedures for monitoring subrecipient compliance with the terms of grants, contracts, or other agreements pursuant to Workforce Innovation and Opportunity Act (WIOA)¹ Title I Workforce Development Activities.²

The following minimum elements and standards must be included in the LWDB’s sub-state monitoring plan:

1. **Responsible Representative**—Each LWDB must identify who will perform the oversight functions. Local policy must address the entity, or (if applicable) staff position, that will perform any monitoring activities. The policy must outline the method of selecting the organization or staff position designated to perform monitoring. The policy must describe how the supervisory or reporting relationships of the monitor, and any other duties of the monitor, will not be connected to the monitored duties and systems and thus avoid any actual or apparent conflict of interest.
2. **Accountability**—WIOA mandates that the LWDB and the Chief Elected Official (CEO) are responsible, in partnership, for oversight of WIOA Title I programs.³ Local Workforce Development Area (LWDA) monitors must submit an annual report each Program Year to their LWDB and CEO so they can fulfill that oversight responsibility.
3. **Compliance and Performance**—The Office of Workforce Development (OWD) requires an annual administrative and programmatic monitoring report **directly** submitted to each LWDB and CEO regarding **compliance** with the terms and conditions of each contractual scope of work. Local Monitors also must provide subrecipient and LWDB’s program **performance** reviews **directly** to the LWDBs and CEOs on an annual basis. Other areas to cover in monitoring reports are the adequacy of assessment, planning of activities and services, coordination with One-Stop Delivery System partners to meet the comprehensive needs of customers, and customer outcomes. The regulations implementing WIOA require that when monitoring identifies problems, those issues must be resolved by prompt and appropriate corrective action.⁴

¹ Pub. L. 113-128 [[29 U.S.C. 3101 et seq.](#)].

² WIOA Section 185(c) [[29 U.S.C. 3245\(c\)](#)].

³ WIOA sec. 107(d)(8) [[29 U.S.C. 3122\(d\)\(8\)](#)].

⁴ [20 CFR 683.420\(a\)](#).

4. **Compatibility**—Policies must demonstrate that the LWDB’s programmatic, administrative, and operational oversight systems effectively measure compliance in a manner compatible with WIOA regulations and OWD policies.
5. **Compliance**—Policies must include a review of program quality and provide for continuous improvement of service delivery. LWDB’s monitoring efforts should include a comprehensive examination of historical change requests as well as compliance issues cited in prior federal, State, and local reviews. A written determination should state whether corrective measures taken to address those issues have proven effective.
6. **Risk Assessment**—Prior to issuing an award under WIOA title I and annually thereafter the LWDB must conduct a risk assessment to assess the organization’s overall ability to administer Federal funds as required under 2 CFR 200.205. As part of this assessment, the LWDB may consider any information that has come to its attention and will consider the organization’s history with regard to management of other grants. The LWDB must develop a risk assessment procedure and consider the following: Financial stability, quality of management systems and standards, history of performance, timeliness of compliance, conformance to terms and conditions of previous awards, reports & findings from audits, and ability to implement effectively statutory, regulatory, or other requirements.
7. **Methodology and Target Universes**—Monitors must use random-sampling techniques in participant file reviews to test **compliance in every funding stream for which the LWDB has a contract with OWD**. LWDBs are encouraged to use the reports feature in the electronic statewide case management system to obtain random-samples, whenever possible.

When reviewing WIOA Adult and Dislocated Worker participant records, combine the two funding streams, then sample by service. Every Program Year, the LWDB must monitor a separate statistically valid sample of Adult and Dislocated Worker participants enrolled in **each** of the following services:

- Classroom Training;
- On-the-Job Training;
- Work experience/Internship/Apprenticeship;
- Supportive Services/Needs-related payments; and
- Any other services that result in a **direct payment** to, or on behalf of, a participant.

Depending on the size of each record set requiring review, the corresponding number of sample records shown below, *at a minimum*, must be examined. Samples should be adjusted as necessary based on the results of the Risk Assessment required to be performed on each subrecipient entity as dictated by Local Policy. These guidelines are applicable for every review.⁵

Record Set Size

Sample Size

⁵ Sample size based on algorithmic tables for simple random sampling developed by The Research Advisors, Franklin, MA ©2006.

1–200	69
201–300	78
301–400	84
401–500	87
501–1,000	96
1,001–2,000	100
2,001–10,000	105

This table is for a random sampling with a confidence level of 90 percent and a margin of error of 8 percent.

8. At a minimum, review participant records for:
- Documentation of participant eligibility and/or priority for the programs and services received;
 - Orientation to services;
 - Signed acknowledgement from the participant that notification of complaint and grievance rights and procedures was received;
 - Justification for the provision of Individualized Career Services or Training services;
 - Method of assessment;
 - Employment planning;
 - Individual Training Accounts;
 - Appropriateness and accuracy of participant payments (i.e., Supportive Services);
 - Appropriate data entry;
 - Posting of outcomes, including the attainment of a degree or certificate and any supplemental employment data; and
 - Any other applicable Data Elements.

Local monitors must ensure Youth monitoring procedures account for WIOA requirements, such as:

- The current⁶ Out-of-School Youth (OSY) percentage expenditure requirement;
- Twenty percent work-based learning with educational component requirement;
- Five percent limit on In-School Youth enrolled with the “Requires additional assistance” barrier; and
- Five percent over-income exception.

9. ***Date Element Procedures***—The LWDB must conduct **quarterly** Data Element Validation (DEV) reviews to ensure the integrity of performance outcomes. The LWDB must incorporate their DEV procedures in their internal control procedures as required by 2 CFR 200.303. The DEV review will be performed to conform to the State

⁶ The WIOA requirement for 75 percent expenditures on OSY may be subject to adjustment due to federal waiver.

procedures complying with WIOA Section 116(d)(5)⁷ and federal guidance.⁸ This review is to verify that the performance data elements reported by Missouri are valid, accurate, reliable, and comparable across programs. The review is to identify anomalies in the data or missing data, to resolve issues that may cause inaccurate reporting, and to improve program performance accountability through the results of data validation efforts. Monitors must use random-sampling techniques when selecting the exited file to review. Depending on the amount of records that exited the prior program year, the corresponding number of sample records shown below, *at a minimum*, must be examined. These guidelines are applicable for every review.⁹

The State Compliance Monitors will review Local DEV monitoring efforts *at least annually* to ensure compliance of the written DEV procedures, provide feedback and technical assistance, and/or corrective action, if applicable. Local Monitors responsible for local DEV review efforts will be required to attend an annual DEV reviewing training. This training will occur either during a JobStat meeting or at the annual Monitoring Summit.

<u>Exited Record Set Size</u>	<u>Sample Size</u>
1–200	69
201–300	78
301–400	84
401–500	87
501–1,000	96
1,001–2,000	100
2,001–10,000	105

10. **Financial Monitoring Review**—The LWDB must conduct an annual on-site Financial Monitoring Review (FMR) of subrecipients to ensure fiscal integrity. Additional reviews may be warranted, based on the evaluations of risk of noncompliance. The FMR will be performed to comply with WIOA section 184(a)(4) [[29 U.S.C. 3244\(a\)\(4\)](#)], annual OWD agreements, and 2 CFR [Part 200](#) and [Part 2900](#). The FMR is conducted to ensure the adequacy of internal controls and the reliability of the subrecipient’s financial management system as they relate to the administrative subaward. The FMR must ensure that the subrecipient meets the terms and conditions of the subaward and the fiscal goal or requirements, and that amounts reported are accurate, allowable, supported by documentation, and properly allocated. The FMR must result in a written report to the LWDB identifying areas of noncompliance and recommendations to remedy. The FMR must include, but is not limited to, reviews of the following process:

- Audit Resolution/Management Decision;
- Financial Reports;
- Internal Controls;

⁷ [29 U.S.C. 3141\(d\)\(5\)](#).

⁸ U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter ([TEGL 07-18](#)), “Guidance for Validating Jointly Required Performance Data Submitted under the Workforce Innovation and Opportunity Act (WIOA),” December 19, 2018.

⁹ Sample size based on algorithmic tables for simple random sampling developed by The Research Advisors, Franklin, MA ©2006.

- Source Documentation;
- Cost Allocation/Indirect Costs;
- Cash Management; and
- Procurement.

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