

OPERATIONS MANUAL CHAPTER 8: OVERSIGHT AND MONITORING

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I. INTRODUCTION

The San Diego Workforce Partnership (Workforce Partnership) has established an oversight and monitoring process that includes: The review of all the San Diego Workforce Partnership-funded programs through monitoring visits, and ongoing reviews of Subrecipient's, Eligible Training Providers List (ETPL) providers, Customized Training (CT), Contracted Education Training (CET), and On-the-Job Training (OJT) providers to assess the quality and level of performance. These activities are required to fulfill the Workforce Partnership mandated oversight responsibilities in accordance with the Workforce Innovation and Opportunity Act (WIOA).

II. OVERSIGHT AND MONITORING

Oversight and monitoring are a regular, systematic review of programmatic and fiscal activities, administrative systems and management practices to determine if they are appropriate, effective and in compliance with the terms of the contract, WIOA rules and regulations, Department of Labor (DOL) requirements, Employment and Development Department (EDD) directives, and the Workforce Partnership policies and procedures. Oversight and monitoring serve as an important mechanism to identify and document necessary corrective actions, provide technical assistance, and track progress.

A. EMPLOYMENT AND DEVELOPMENT DEPARTMENT (EDD)

EDD monitors the Workforce Partnership on a yearly basis, so that will include Subrecipients, ETPL providers, OJT providers, and other entities that receive WIOA funding.

B. THIRD PARTY MONITOR

The Workforce Partnership contracts with a third party for the provision of Fiscal, Procurement, and Equal Opportunity (EO) monitoring services, in accordance with the policies and procedures outlined in this Chapter.

C. THE WORKFORCE PARTNERSHIP PROGRAM MONITOR

The Workforce Partnership staff conducts program monitoring services, in accordance with the policies and procedures outlined in this Chapter.

D. THE WORKFORCE PARTNERSHIP CONTRACT ADMINISTRATOR

The Workforce Partnership staff will provide ongoing oversight for all contracts, including regular reviews of the quality and performance of each Subrecipients, ETPL providers, OJT providers, and other entities that receive WIOA funding.

E. SUBRECIPIENT'S, ETPL PROVIDERS, AND OTHER ENTITIES

All Subrecipients, ETPL providers, OJT providers, and other entities that receive WIOA funding from the Workforce Partnership must monitor their subcontractors in accordance with the guidance laid out in this chapter to ensure funds are used for authorized purposes.

III. SCOPE

Monitoring is performed through desk reviews and onsite visits. Monitoring activities include but are not limited to:

- A review of program and participant services to include the intake and referral process, eligibility certification, priority of service, registration, objective assessment, classroom training, OJT, work experience and supportive services;

- A review of program administration and management practices including fiscal and accounting procedures, reporting, internal control systems (e.g., protection of Personally Identifiable Information (PII)); and
- A review of Nondiscrimination and Equal Opportunity (EO) policy and procedures.
- Data reporting from the program's system of record; and
- Other program reporting requirements as specified in contract and/or requested by Workforce Partnership.

A. FREQUENCY

Programmatic and fiscal monitoring is conducted each year with a minimum of one on-site visit per year. If the program being monitored is of six months or less duration, only one on-site visit is conducted. Equal Opportunity WIOA Section 188 monitoring is conducted once per year. The monitoring is inclusive to all Subrecipients, ETPL providers, OJT providers, and other entities that received funding during the program year being monitored.

B. MONITORING REPORT

Each on-site visit is documented by a written report. The monitoring reports are official records of the Workforce Partnership and are used to review Subrecipients, ETPL providers, OJT providers, and other entities that receive WIOA funded programs at a given point in time. The reports provide the background of the program, status of follow-up on previous findings (if applicable), current findings and recommendations (if any) for corrective action along with a timeline for implementation. The reports constitute the basis for future program assessment and evaluation.

IV. CORRECTIVE ACTION

Corrective action will be taken when a contracted subrecipient fails to meet compliance or performance standards in any of the following areas:

- Failure to achieve performance measures or milestones and/or adherence to the program design as outlined in subrecipient's contracted scope of work
- Significant monitoring findings (programmatic or fiscal) and/or not working to address and/or close findings in a timely manner
- Failure to adhere to fiscal responsibilities outlined in contract, such as underspending contract amount against planned budget/trend, repeated late or incomplete invoice submissions, disallowed or questioned costs, etc.
- Mismanagement of contract which impacts Workforce Partnership performance standards, expenditure rates, employer relations and/or customer service
- Failure to attend scheduled meetings, respond to phone and email communications, follow-up on agreed upon action steps, and/or other communication deficiencies
- Any other violation(s) of the legislative, regulatory, legal, or other contractual requirements

Please note that the above measures, and their respective performance standards, are subject to change based on federal, state, and local laws, policies, and Workforce Partnership and subrecipient negotiated contract changes.

A. PERFORMANCE MONITORING

Workforce Partnership will monitor the performance of subrecipients throughout the contracted term using:

- Data reporting from the program's system of record.

- Monitoring reports and desk reviews conducted by Workforce Partnership staff
- Reports on communications, process improvement and program implementation from the assigned Workforce Partnership staff
- Financial reports from Workforce Partnership's finance team; and
- Other program reporting requirements as specified in contract and/or requested by Workforce Partnership.

It is the responsibility of subrecipients to ensure all staff involved in the service delivery and program management are properly trained to perform the tasks outlined in their scope of work. Workforce Partnership will provide training resources and technical assistance, as needed.

B. CORRECTIVE ACTION PROCESS

The following outlines the progressive manner in which Workforce Partnership staff and subrecipients will address performance deficiencies.

1. If an area of deficiency in contract compliance or performance is identified, Workforce Partnership will send a Corrective Action Notice outlining the area(s) of deficiency to the subrecipient's Authorized Negotiator and Program Director or equivalent position. A Corrective Action Notice may be issued in the following ways:
 - Warning Letter: An informal written notice involving the first instance of a singular minor compliance or performance infraction. The Workforce Partnership staff will work with subrecipient staff to identify solutions to address the infraction. This process will be documented in writing and plans to mitigate the infraction will be discussed and monitored during regularly scheduled meetings with Workforce Partnership staff. Subrecipients will have a maximum of one (1) quarter to correct the infraction or make substantial progress towards correction of the infraction before being issued a formal written notice.
 - Formal Notice: A formal written notice for continued compliance or performance infractions and/or instances involving two or more issues, or a major infraction(s) (i.e., missing performance measures due to circumstances within the subrecipients control, missing performance measures and not working with Workforce Partnership staff to implement solutions, or not attending or actively participating in scheduled meetings or trainings to support improved performance). Subrecipients will have a maximum of two (2) consecutive quarters to correct the infraction(s) or make substantial progress towards correction of the infraction(s) before potentially being placed on formal probation.
 - Probation: A formal recommendation for probation may be issued in writing, if, after issuing a formal Corrective Action Notice, the misconduct or infraction(s) have persisted over more than two (2) consecutive quarters, have not been remedied or a good faith effort on the part of the subrecipient in question has not been made or communicated. If a subrecipient is on probation, they may be precluded from seeking additional funding or new contracts with the Workforce Partnership, depending on the severity of the performance deficiencies.

It is at the discretion of the Workforce Partnership staff to determine which type of Corrective Action Notice will be issued in each situation. Regardless of the type of corrective action, the Corrective Action Notice will detail the specific performance or compliance infraction(s), type of notice being

issued (e.g., warning, formal or probation), the rationale behind it, and the action steps required by the subrecipient.

2. If a subrecipient is issued a Formal Corrective Action Notice, the subrecipient is required to provide a response to the Workforce Partnership within ten (10) business days of its issuance and complete the following:
 - a. Submission of a Corrective Action Plan and provide progress updates on plan, on a frequency designated by Workforce Partnership as outlined in the Corrective Action Notice, until the infraction(s) have been corrected.
 - b. Meet with the Workforce Partnership Program Specialist to discuss corrective action and any necessary technical assistance, on a frequency designated by Workforce Partnership as outlined in the Corrective Action Notice.
3. It is the responsibility of subrecipients to address and resolve performance and contract compliance issues; however, Workforce Partnership will work with the subrecipient to provide identified technical assistance and/or capacity building needs to ensure the delivery of high- quality services to participants.
4. Once a Corrective Action Notice has been issued, the deficiency will be reviewed by the Program Specialist, on a frequency selected by Workforce Partnership as outlined in the Corrective Action Notice, to determine if the issue has been resolved by the end of the period specified in the Corrective Action Plan.
5. If Workforce Partnership staff have verified the Corrective Action Plan has been carried out and the subrecipient has corrected the contract underperformance, Workforce Partnership staff will notify the subrecipient, in writing, they are no longer on corrective action.
6. If the performance or compliance infraction(s) are not satisfactorily rectified after being placed on Probation, subrecipients shall be subject to one or more of the following actions:
 - a. The corrective action may be continued for an additional time period depending upon the circumstances of the deficiency and ability to resolve the issue promptly, as determined by the Workforce Partnership; or
 - b. Subrecipients with outstanding or unresolved Corrective Action Plans may face one or more of the following consequences:
 - Subrecipient may not be considered for continued funding, or an extension of their contract from Workforce Partnership;
 - Subrecipient may be subject to a de-obligation of funds;
 - Subrecipient may be considered ineligible for funding in future procurements, for a specified time period, from Workforce Partnership; and/or
 - Subrecipient may be subject to termination of contract.
7. If it is determined that a de-obligation of funds or a termination of contract is warranted, such recommendation will be brought forward as an action item to Workforce Partnership's Board and relevant committee(s). Additionally, written notification will be sent to the subrecipient's Authorized Negotiator and Program Director or equivalent, informing them of such action. If the Board or relevant committee(s) vote in the

affirmative for de-obligation of funds or to terminate a contract, the subrecipient shall not be able to apply for future funding for one (1) year from the date of termination or until the identified deficiencies have been satisfactorily resolved, and policies are in place to help mitigate reoccurrence.

A. CORRECTIVE ACTION PLAN

The monitor will work with the Subrecipient's and ETPL Providers to outline a corrective action plan which addresses the causes of the problem and aims to prevent future occurrence. Refer to the Workforce Partnership *Operations Manual, Chapter 4, Part I and Part II, Program Activities for the Corrective Action Policy*.

B. CORRECTIVE ACTION IMPLEMENTATION

Subrecipients, ETPL providers, OJT providers, and other entities that receive WIOA Title I funding including special funded grants must implement the recommended corrective action within the timeframe indicated in the monitoring report. The implementation will be closely tracked by the monitor (1) to determine the overall efficiency and effectiveness of the approach, and (2) to measure progress toward resolving the problem. Subrecipients, ETPL providers, OJT providers, and other entities that receive WIOA Title 1 funding including special funded grants are required to respond in writing to the monitor's recommendations to acknowledge that the corrective action plan is being implemented.

V. FOLLOW UP

As the final step in the monitoring process, the monitor will follow-up on corrective action recommendations and the results of any technical assistance. The monitor may also extend the target date for completion of the corrective action if the Subrecipients, ETPL providers, OJT providers, and other entities that receive WIOA funding request for extension is reasonable and provides justification for such an action.

A. METHODOLOGY

Follow-up may be achieved as follows:

- **Desk Review:** If the monitoring finding can be addressed through the submission of documentation, follow-up may be achieved through verification of back-up documentation submitted by the Subrecipients, ETPL providers, OJT providers, and other entities that receive WIOA funding in response to a monitoring report finding.
- **Off-Cycle Visit:** If the corrective action is crucial to the operation of the program or is required immediately to resolve a problem involving questioned costs, a follow-up visit may be scheduled to confirm that corrective action has been implemented.
- **Part of Regular Monitoring:** If the corrective actions will require more time to implement or is of a less severe nature, the action will be followed-up during the next regular monitoring visit.

VI. MONITORING TOOLS

A. PARTICIPANT FILE MONITORING CHECKLISTS

ATTACHMENT – WIOA ADULT & DW PARTICIPANT FILE MONITORING CHECKLIST as well as the **ATTACHMENT – WIOA YOUTH PARTICIPANT FILE MONITORING CHECKLIST** are used by monitors to conduct file reviews on a sampling of registered participant's information and aggregate program information through the review and analysis of CalJOBS data. All participant program activities and services will be examined to ensure programmatic compliance. Refer to the *San Diego Workforce Partnership Operations Manual, Chapter 4, Part I and Part II Program Activities*.

B. FISCAL AND PROCUREMENT MONITORING CHECKLIST AND RISK ASSESSMENT WORKSHEET

ATTACHMENT - FISCAL AND PROCUREMENT MONITORING CHECKLIST as well as the **ATTACHMENT – RISK ASSESSMENT WORKSHEET** are used by monitors to conduct fiscal and procurement monitoring of Subrecipients. The third-party monitor will be responsible for scoring the Subrecipient's risk assessment worksheet. ETPL and OJT providers are not subject to this type of monitoring.

C. EQUAL OPPORTUNITY WIOA SECTION 188 COMPLIANCE CHECKLIST

ATTACHMENT - EQUAL OPPORTUNITY WIOA SECTION 188 COMPLIANCE CHECKLIST is a management tool used by monitors to ensure that Subrecipient's, ETPL providers, and OJT providers are complying with legislative requirements of the WIOA programs. Refer to the ***San Diego Workforce Partnership Operations Manual, Chapter 9: Nondiscrimination & Equal Opportunity Policy and Complaint Procedures.***

D. PARTICIPANT QUESTIONNAIRE

ATTACHMENT – PARTICIPANT QUESTIONNAIRE allows monitors to understand the customer experience and validate the performance of the Subrecipients, ETPL providers, OJT providers and other entities from the perspective of the participant. Monitor will select a sampling of participants for interview.

E. WORKSITE VISIT

A worksite visit may be conducted at OJT providers, ETPL providers, and paid work experience (youth only) locations to observe the work/training setting and environment; and review the administrative systems and the business' capacity to ensure fiscal integrity and compliance with legislative requirements of the WIOA Programs.

VII. REFERENCED ATTACHMENTS

WIOA Programmatic Compliance Checklist

Fiscal and Procurement Monitoring Checklist

Equal Opportunity WIOA Section 188 Compliance Checklist

WIOA Adult & DW Participant File Monitoring Checklist

WIOA Youth Participant Monitoring Checklist

Participant Questionnaire

Risk Assessment Worksheet