

COUNTY OF HUMBOLDT
COMMUNITY SERVICES DEPARTMENT
ECONOMIC DEVELOPMENT DIVISION

Subject: **WIA Subcontractor Compliance Monitoring**

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I. PURPOSE

To set forth general standards and procedures for staff of the Humboldt County Workforce Investment Board (HC-WIB) to perform compliance monitoring of subcontractors providing WIA-funded training programs and services in Humboldt County.

II. SCOPE

Scope of policy applicability includes all subcontractors with the County of Humboldt that deliver WIA Title 1 or Governor's Discretionary-funded services to eligible adults and/or youth.

III. REFERENCES

- WIA Sections 117(d)(4), 184(a)(2)(A), 184(a)(3)(A), and 184(a)(5)(A)
- Title 20 Code of Federal Regulations (CFR) Sections 667.400(c)(1), 667.410(a), and 667.410(f)(6)
- Title 29 CFR Parts 95 and 97
- Office of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments
- OMB Circular A-122, Cost Principles for Non-Profit Organizations
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
- WIA Directive WIAD00-2, Subject: Procurement (August 24, 2000)
- WIA Directive WIAD00-4, Subject: Nondiscrimination and Equal Opportunity Procedures (November 16, 2000)

IV. DEFINITIONS

A *sub-contractor* is a recipient that contracts with the County of Humboldt to provide WIA training services and does not receive WIA funds directly from the State.

V. POLICY

It is the policy of the County of Humboldt Community Development Services-Economic Development Division (CDS), on behalf of the Workforce Investment Board of Humboldt County (HC-WIB), to conduct regular monitoring of all WIA grant-supported programs and projects in the One-Stop system. Monitoring strives to ensure program and fiscal

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compliance with the Workforce Investment Act and the strategic plan of the Humboldt County Workforce Investment Board. Monitoring will be conducted by HC-WIB staff, will occur at least annually, and will result in written reports and correspondence to address findings.

VI. PROCEDURE

A. Schedule

On-site fiscal and programmatic monitoring of subcontractors will occur at least once a year, as detailed in the HC-WIB Monitor Schedule (Attachment 1). The schedule will be updated annually and amended as needed during the year, with HC-WIB executive Director approval.

If the WIA activity to be provided by a subcontractor is no longer than six months in duration, the subcontractor will be monitored once during the six-month activity period, and will be monitored for both program compliance and fiscal accountability.

B. Contact with Subcontractor

1. Prior to monitoring of any subcontractor, HC-WIB staff will contact the subcontractor to confirm the primary contact for monitoring visit.
2. The monitoring visit is scheduled with the primary contact.

C. HC-Staff conducts a desk review and prepares the fiscal and program monitoring tool for the particular grant being monitored. Desk review may include, but not be limited to:

1. Review of original grant application between the County of Humboldt and the funding source.
2. Review of past WIA monitoring reports conducted with the subcontractor.
3. Review of written or electronic correspondence between HC-WIB and subcontractor.
4. Review of fiscal records/invoices and program reports submitted to HC-WIB by subcontractor, as required by the subcontract and/or HC-WIB staff request.

D. A letter providing information on the monitoring visit and a copy of the monitoring tool to be used as basis for onsite visit is sent to the administrator of the subcontractor. A copy is also sent to the program and fiscal contact person (if different). The letter will detail the date and time of the visit and what areas will be reviewed onsite by HC-WIB monitoring staff.

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E. On-site Monitoring

1. Program Compliance Monitoring – HC-WIB staff will prepare the Monitoring Tool and appropriate Monitoring Supplement(s) using the desk review as basis for this purpose (as per above). During the on-site portion of the monitoring, HC-WIB staff may interview responsible subcontractor program staff, review related documents/files, and, when appropriate and when included as scope of monitoring, interview WIA participants enrolled for WIA training services.
2. Fiscal Compliance Monitoring – HC-WIB monitor staff will use the appropriate Subcontractor Financial Compliance Monitor Tool and appropriate Monitoring Supplement(s), using the desk review as basis for this purpose (as per above). HC-WIB staff may interview responsible subcontractor fiscal staff, and/or review related fiscal policies, systems, documents or other related files.

F. Monitoring Report

1. Within **fifteen (15) working days** of the monitoring, the HC-WIB monitoring staff will complete a monitoring report. The report will include:
 - a. The name and address of the subcontractor;
 - b. The date(s) of the program and fiscal review(s);
 - c. The services for which County of Humboldt has contracted with the subcontractor;
 - d. The WIA title(s) or grant under which the subcontractor is being funded;
 - e. The name(s) of the individual(s) interviewed;
 - f. The fiscal and program areas which were reviewed;
 - g. A descriptions of areas of concern or findings;
 - h. Any corrective action(s) HC-WIB staff determine are necessary;
 - i. Any areas of concern, other than areas noted for corrective action;
 - j. Any additional comments/suggestions.

The monitoring report is submitted to the HC-WIB Executive Director for review and final approval.

2. Within **five (5) working days** of receiving the monitoring report, the HC-WIB Executive Director will send a copy of the monitoring report to the subcontractor administrator and contact person.
 - a. If there are no corrective actions noted in the monitoring report, the monitoring will be closed, and the report will be considered the final report.

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- b. If there are findings requiring recommended corrective actions noted in the monitoring report, HC-WIB staff will assign a Corrective Action Tracking System (CATS) number for each recommended corrective action. CATS numbers will be tracked in HC-WIB administrative offices, and assigned an Open, Pending or Closed status code, as per below:
- Open –
Recommended corrective action has been accepted by subcontractor as acceptable remedy to resolve identified issue.
 - Pending –
 - The period of time between notice of recommended corrective action and the date corrective action is completed; and/or;
 - The period of time between HC-WIB receiving written response from subcontractor requesting relief from having to comply with recommended corrective action (#3 below) and the time HC-WIB Executive Director either approves/disapproves relief.
 - Closed –
Recommended corrective action has been resolved by:
 - Subcontractor demonstrating compliance with corrective action; and/or;
 - Subsequent HC-WIB monitor visits determine that systemic-oriented corrective action has been achieved.
3. The subcontractor must respond within fifteen (15) working days from the date of the monitoring transmittal letter demonstrating implementation of corrective actions, or providing written disagreement with the findings that generated recommended corrective actions.
 4. If, after fifteen (15) working days from the date of the transmittal letter, no response has been received, the subcontractor will comply with the due date given in the monitor report for rectifying any findings needing corrective action.
 5. If a response and/or corrective actions are not completed or demonstrated within 15 working days after the due date for corrective action, the HC-WIB has the option to begin procedures to terminate the contract, as is appropriate for the issue. HC-WIB monitor staff will work with each subcontractor to assure appropriate corrective action for each finding is completed in a timely manner.

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6. HC-WIB staff will conduct follow-up activities for any findings requiring corrective action, to ensure that necessary corrective action has been taken within timelines stipulated in monitoring report and follow up correspondence.

G. Records

1. *All records associated with the WIA programs will be retained for a minimum of three (3) years.*
2. *All files and records associated with WIA programs shall be available for review by state and federal agency staff.*

VII. FORMS

N/A

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