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I. APPLICABILITY/SCOPE

This policy applies to all subrecipients of Workforce Innovation and Opportunity Act (WIOA), to include, but not limited to Adult, Dislocated Worker, Youth, Work-Based Learning programs, Specialty grants, Eligible Training Providers, and One Stop Operator(s), that deliver Workforce Innovation and Opportunity Act (WIOA) services to customers and impact the workforce delivery system.

II. PURPOSE

The purpose of Workforce Innovation and Opportunity Act (WIOA) monitoring is to ensure the integrity of the WIOA system, to review performance, assess compliance with applicable laws and regulations and identify successful methods and practices that serve to enhance the system as a whole through continuous improvement. Monitoring visits are a critical task and essential role for all organizations that receive Department of Labor (DOL) funding.

III. BACKGROUND


WIOA Final Rules §683.400(c) describes the requirements WIOA has placed on the States to create a monitoring system for their subrecipients. Paragraph (d) also requires the retention of evidence related to monitoring functions and resolution actions by stating “Documentation of monitoring, including monitoring reports and audit work papers, conducted under paragraph (c) of this section, along with corrective action plans, must be made available for review upon request of the Secretary, Governor, or a representative of the Federal government authorized to request the information.” This section also covers the new requirements under the Uniform Guidance which requires an examination of recipient and subrecipient nondiscrimination and conflict of interest policies, mandatory disclosures of all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

This section establishes the Phoenix Business and Workforce Development Board (PBWDB) policy regarding the oversight responsibilities as outlined in the following:

- a) Section 183 of the Workforce Innovation and Opportunity Act (WIOA);
- b) Code of Federal Regulations (20 CFR 683.410);
- c) Workforce Arizona Council Policy #07 “ARIZONA@WORK WIOA Statewide Monitoring Policy; and
- d) Terms and conditions in any Shared Governance Agreement or contract entered into on behalf of the Local Workforce Development Area (LWDA) for ARIZONA@WORK City of Phoenix Adult, Dislocated Worker, Youth, Work-Based Learning, Training Provider Programs, Specialty Grant activities and the One-Stop Operator.

IV. DEFINITIONS

Finding or Not Met: A finding/corrective action, as defined by DOL, is any violation of: Law; Regulations; Office of Management and Budget Guidance; Award Agreement; Formal Policy and other. Findings always require a corrective action. There may be situations where a Finding/Corrective Action can be corrected at the time of identification; however, it will still be noted as a Finding/Corrective Action in the program review outcome. Examples leading to a Finding/Corrective Action include, but are not limited to:

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- a) Inaccurate or Incomplete eligibility determinations;
- b) Application signed after Date of Participation (first enrollment into a WIOA Activity);
- c) Services, as documented in case notes, were provided prior to the eligibility date;
- d) Inaccurate or incomplete verification and file documentation of any required field used to determine eligibility;
- e) Missing, incomplete, outdated, and/or unsigned College and Career Blueprint (CCB);
- f) Failure to include documentation regarding coordination of occupational training with FASFA or PELL Grant Awards;
- g) Assessments not documented in hard copy file or in case notes;
- h) Failure to justify expenditures for Supportive Services or other Needs-Related Payments;
- i) More than 90 days of no services has occurred;
- j) Failure to provide hard copy documentation of credential; and/or
- k) Failure to follow City policies in the development of documents related to training services (OTAs, Work Experience, Basic Skills Training, Job Search activities).

Observation: An Observation or Area of Concern is any potential violation of: Law; Regulations; Office of Management and Budget Guidance; Award Agreement; Formal Policy and other. Questionable operational or business practices could also warrant an Observation.

Examples leading to an Observation include, but are not limited to:

- a) Demographics and/or documentation not in alignment with the entire program record; and/or
- b) Missing signature on participant’s Social Security Card.


Subrecipient: Per Uniform Guidance, 200.330, a Non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program. Characteristics which support the classification of an entity as a subrecipient include when the entity:

- a) Determines who is eligible to receive what Federal assistance;
- b) Has its performance measured in relation to whether objectives of a Federal program were met;
- c) Has responsibility for programmatic decision making;
- d) Has responsibility for adherence to applicable Federal program requirements specified in the award; and
- e) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute.

V. POLICY

A. This policy will ensure that:

1. Adult, Dislocated Worker, Youth, Work-Based Learning, and Specialty Grant Programs and services are operated in compliance with WIOA and applicable Federal, State rules and regulations and ARIZONA@WORK City of Phoenix policies and procedures;

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2. Services and training provided by Eligible Training Providers are being provided to participants as described in the agreement document;
3. Eligible training providers conform to federal, state, and local policies;
4. The appropriate verification of eligibility or enrollment of participants is on file;
5. Effective equal employment opportunity guidelines are used in program design and operation;
6. Tangible outcomes are accomplished at costs which are in line with original proposed costs;
7. Fiscal integrity is insured, and auditable records are maintained; and
8. The One-Stop Operator is fulfilling its contractual obligations.

Subrecipients or contractors that contract-out WIOA programs and services must conduct regular oversight and monitoring of its subrecipients' WIOA activities in accordance with the Final Rules §683.400 and in accordance with the uniform administrative requirements at 29 Code of Federal Regulations parts 95 and 97.

B. MONITORING FREQUENCY

The following shall be monitored onsite at least once each program year:

1. Adult Program
2. Dislocated Worker Program
3. Youth Program
4. One-Stop Operator
5. Business Services

The following shall be monitored every other calendar year:


1. Eligible Training Providers in Phoenix

C. SCHEDULING OF MONITORING REVIEW

1. Monitoring will be conducted by PBWDB staff, under the guidance of the Program Excellence Committee.
2. No sooner than 30 days prior to an onsite monitoring review, the PBWDB staff will send notification of the upcoming monitoring via e-mail. No sooner than two (2) working days prior to the visit, the subrecipient will receive the list of files to be reviewed. The notification will include the following information:
 - a. Purpose of the monitoring;
 - b. Timeframe of the selected information to be monitored;
 - c. Information to be monitored;
 - d. Location of the monitoring;
 - e. Proposed dates of the monitoring review; and
 - f. Request to confirm proposed dates of the monitoring review.

D. CONDUCTING MONITORING REVIEWS:

Adult, Dislocated Worker, and Youth Programs - For monitoring of customer/participant files, the sample size will be a minimum of 10 percent of participants served during the most recently completed program year. If applicable, PBWDB staff will require that copies of all requested records, files or other

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documents of a sufficient nature and sample size be delivered to a location identified by PBWDB staff for review.


Monitoring reviews may be a combination of the following:

1. **Desk reviews:** Electronic records will be monitored prior to the onsite monitoring.
 - a. For a given program year, PBWDB staff may randomly choose participant records stored in the State case management and reporting system for review. Such reviews will consist of assessing the following:
 1. Thoroughness of information entered into the system;
 2. Detailed case notes;
 3. Documents uploaded into the system;
 4. Data reports pertaining to program activity;
 5. Performance of program outcomes; and
 6. Policies and Standard of Work.

2. **On-site reviews:** Utilizing the PBWDB’s Workforce Audit System, onsite reviews will be conducted based upon requirements in the agreement(s) covering the following areas, as applicable:
 - a. Agency administration;
 - b. Program performance;
 - c. Management Information Systems (MIS) documents;
 - d. Participant files;
 - e. Training services;
 - f. Equal Employment and Nondiscrimination; and
 - g. Worksite/internship/externship monitoring.

3. **Participant and staff interviews:** During the review, the PBWDB staff may request the scheduling of interviews with selected program participants. These interviews may consist of but not be limited to the following topics:
 - a. Professionalism of staff serving the participant;
 - b. Knowledge of program staff in providing career guidance;
 - c. Expectations of program versus actual services provided; and
 - d. Overall satisfaction with program experience.

One-Stop Operator (OSO) – The OSO will be subject to an annual review by the PBWDB utilizing the contracted Scope of Work as the basis for such review. The OSO will also be held accountable for the performance metrics agreed upon by the PBWDB. The Workforce Audit System will be utilized for this purpose.

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E. EXIT INTERVIEWS

At the end of the onsite review, the monitoring team will conduct a brief, informal, verbal exit interview with the subrecipient.

F. MONITORING REPORT


1. The PBWDB staff will complete a report, noting findings and observations, and will submit the report to the PBWDB’s Program Excellence Committee for review.
2. Initial monitoring reports will be sent to the appropriate subrecipient within thirty (30) calendar days.
3. The subrecipient will have ten business days to respond to the report.
 - a. Non-participant driven “Not Mets” have the opportunity to have points restored with valid documentation to support that they have been corrected or resolved.
4. When satisfied that all monitoring findings and required explanations have been resolved, the PBWDB staff will issue a final monitoring closure letter/memo to the subrecipient and the PBWDB.

G. STEPS TO CLOSURE

1. Subrecipients with open findings identified in the Monitoring Report section above will have 30 calendar days after receipt of the report to address the findings in writing utilizing the “Monitoring Review Corrective Action Plan” form (Attachment A).
2. The subrecipient will submit the updated action plan to the PBWDB staff on a monthly basis until all items are completed and accepted by the PBWDB.
3. Upon acceptance of the corrective action plan from the subrecipient, the PBWDB will issue a final close-out report within 30 calendar days.
4. Failure of the subrecipient to address all outstanding items identified in the Monitoring Review Corrective Action Plan” within the agreed upon timeframes, could result in further recommended action as determined by the PBWDB up to and including termination of the subrecipient agreement.


H. TRAINING PROVIDER AND CONTRACTOR MONITORING REVIEW

1. A training contractor as defined in 2 CFR 200.330 is any organization with whom the PBWDB or subrecipient contracts or partners with to provide specific outlined training, classroom or workplace, including training providers approved by the PBWDB for inclusion on the Eligible Training Provider List (ETPL) and subrecipient initiated Work-Based Learning and Work Experience Agreements. A contract is for the purpose of obtaining goods and services for the subrecipient’s use and creates a procurement relationship with the contractor. Characteristics indicative of such a relationship are when the contractor:
 - a. Provides the goods and services within normal business operations;
 - b. Provides similar goods or services to many different purchasers;
 - c. Normally operates in a competitive environment;

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- d. Provides good or services that are ancillary to the operation of the WIOA Title I-B program; and
- e. Is not subject to compliance requirements of WIOA as a result of the agreement, though similar requirements may apply for other reasons such as the WIOA monitoring requirement.

2. **Eligible Training Provider Monitoring Reviews:** The PBWDB’s Business and Workforce Engagement Committee, through PBWDB staff, will conduct monitoring reviews of the training providers approved on the ARIZONA@WORK City of Phoenix Eligible Training Provider List (ETPL - <https://www.azjobconnection.gov/ada/r/training>). The PBWDB will conduct eligible training provider monitoring in accordance with State issued policy as posted in the Arizona Department of Economic Security WIOA Policy and Procedure Manual Section 612 “MONITORING OF TRAINING PROVIDERS”.
3. **Training Contractors:** Subrecipients will be held accountable for the contracting and monitoring of such contracts of training contractors. Monitoring of training contractors may take place in the form of desk reviews and/or on-site reviews. Subrecipients will ensure that the contractor follows the terms, conditions, and specifications of their contract. The PBWDB reserves the right to also perform onsite monitoring when warranted.
4. **Desk Review:** A desk review may include:
 - a. Compliance with the terms, conditions and specifications of the agreement;
 - b. Invoices;
 - c. Customer/participant progress reports;
 - d. Participant surveys;
 - e. Completion Certificates;
 - f. Summary of participant performance data; and
 - g. Career Advisor feedback.
5. **On-site Reviews:** On-site reviews may utilize standard monitoring instruments covering the following, as applicable:
 - a. Agency administration;
 - b. Program management;
 - c. Fiscal management;
 - d. Participant files;
 - e. Classroom training;
 - f. Participant interviews;
 - g. Equal Employment and Nondiscrimination; and
 - h. Worksite/internship/externship monitoring.

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VI. CONFIDENTIALITY, DATA AND RETENTION

All PBWDB staff and subrecipient staff participating in monitoring activities will protect the confidentiality of all personally identifiable information (PII) contained in the client files. This includes any third-party monitoring such as Single Audits conducted on behalf of the LWDA or subrecipient. All requisite Data Sharing Agreements must be in place and current at the time of any monitoring review. All written reports and other documentation pertaining to monitoring and other oversight activities will be made available for review by the PBWDB, Federal, State and County officials. Reports and other records of monitoring activities must be retained for three years from the date of submission of the final expenditure reports regarding the funding sources monitored. If any litigation, claim, audit or other action involving the records has been started before the expiration of the three-year period, the records must be retained until completion and resolution of all such actions or until the end of the three year period, whichever is later.

VII. POLICY MANAGEMENT REQUIREMENTS

Administrative revisions to the policy may be made by the Phoenix Business and Workforce Development (PBWD) Board Executive Director, with notice to the PBWD Board’s Executive Leadership Committee. All other substantive revisions will go to the PBWD Board’s Executive Leadership Committee for review and recommendation to the PBWD Board for approval.

VIII. ADDITIONAL OR MISCELLANEOUS INFORMATION

The PBWD Board acknowledges that the city and state are under a declaration of emergency. While this declaration of emergency is ongoing, the Executive Director has the ability to deploy virtual onsite monitoring.

1. 700.702 ATTACHMENT A – Monitoring Corrective Action Plan