

**Monroe County
Workforce Development Area
Monitoring and Oversight Plan
And
Sub-recipient Audit Resolution**

Effective August 30, 2018



Introduction

Pursuant to Workforce Investment System Technical Advisory #04-19, the Monroe County/Rochester Workforce Development Board proposes to implement structural changes in the local workforce system known as RochesterWorks! These changes will clarify roles and responsibilities among system partners and improve the Board's ability to gather and analyze critical information on program effectiveness.

As you know, the City of Rochester and County of Monroe have designated RochesterWorks, Inc. as the staff and fiscal agent for the Workforce Development Board. In this capacity, RochesterWorks, Inc. serves as the operator for the local workforce investment system. This plan will strengthen that role by providing RochesterWorks, Inc. with the resources necessary to manage program databases and information technology systems, technical assistance and monitoring as well as business services for the local workforce investment system.

It is anticipated that this plan will not only meet the monitoring and oversight needs of the Workforce Development Board but allow the County of Monroe and City of Rochester to further the integration of employment and training programs in order to maximize resources and services to the entire community. The County of Monroe and City of Rochester will be involved in the continuous development of this system through the County's Workforce Development Division and City's Department of Recreation and Youth Services.

The purpose of this WIOA Youth Sub-Recipient Monitoring Plan is to ensure that there is a system in place to follow while performing the annual onsite audits for RWI WIOA Youth sub-recipients and thus be compliant with WIOA regulations regarding Sub-Recipient Monitoring.

Technical Assistance and Monitoring

Since December 3, 2003, RochesterWorks, Inc. has provided technical assistance and monitoring for Monroe County. This oversight, monitoring and technical assistance has been related to program and fiscal operations of the WIOA Title I, Welfare to Work and other workforce related programs. The Workforce Development Board will continue to rely on staff from RochesterWorks, Inc. to provide these valuable services. The centralization of database and information technology systems under RochesterWorks, Inc. will enhance the organization’s ability to provide appropriate oversight for programmatic activity and related fiscal matters.

RochesterWorks, Inc. staff will monitor subrecipients for program, fiscal, and performance compliance. Staff will follow the guidelines set forth in Technical Advisory (TA) #04-19 (and any subsequent revision to this TA) using the Local Workforce Development Area’s Program, Financial, & Performance Monitoring Guide for Subrecipients (the Guide). Oversight and monitoring activities shall meet the minimum scope and frequency standards established in the TA.

Fiscal compliance will be monitored by the Director of Finance and HR and his/her staff. Program and Performance compliance will be monitored by the Technical Assistance and Training Manager and his/her staff for the WIOA Adult and Dislocated Worker programs and by the Youth Systems Manager and his/her staff for WIOA Youth programs. Technical assistance and monitoring will be overseen by the Workforce Board, including the Executive, Finance, and Youth Committees.

Responsible Position	Action	Date
Accounting Manager	Sends out an email to each sub-recipient fiscal and program contacts to inform that RWI is getting ready for scheduling the audits and asking for their availability within given time frame (Between March and end of June.)	1 st week of February
Accounting Specialist	Prepares and sends out “Single Audit Report Determination Letter” to each sub-recipient’s fiscal contact.	2 nd week of February

Accounting Manager	Follows up with fiscal contacts and schedules the audit dates and times for onsite visits. An excel file will be created with the audit schedule and other pertinent audit info (20XX PY Scheduled Audits for Sub recipients.) - <i>please refer excel file 20XX PY Scheduled Audits.</i>	3 rd and 4 th week of February
Accounting Specialist	Collects and verifies that all sub-recipients submitted their “Single Audit Report Determination Letter” If not, contacts them to make sure that they do submit.	2 nd week of March
Accounting Specialist	Selects multiple vouchers to audit for each sub-recipient and prepares an audit request from sampled vouchers to send via email to sub-recipients’ fiscal contact. (Depends on the sub-recipient budget, sample size can change- minimum three.)	2 weeks prior to Scheduled Audit Date
Director of Finance/HR Accounting Manager Accounting Specialist	RWI Finance Team visits sub-recipients per the schedule and perform the audits necessary by following appropriate worksheets for the program year. (Financial Management Review and Sub-Recipient Monitoring Review yearly, Procurement and Property Management every other year.)	Mid- March and end of May
Director of Finance/HR	completes the Exit interviews for each audit with the fiscal and program contact of the sub-recipient.	End of Onsite Visit
Director of Finance/HR	issues the audit results letter for each audit and sends to the with the fiscal contact of the sub-recipient via email.	Within 30 days of Audit Completion
Accounting Specialist	verifies that all paperwork in order and records the Exit Interviews and Narratives for each audit when the audits are completed.	As audits are complete
Executive Director	verifies that all paperwork in order and signs off on each audit.	As audits are complete
Accounting Manager	verifies that all Single Audit reports are submitted to RWI by sub-recipients. If not, follows up with each sub-recipient to ensure that they are submitted.	Within 30 days of Issue of Audit Report

Director of Finance/HR Accounting Manager	reviews the Single Audit reports and records the results in the “Single Audit Reviews” tab in the file (20XX PY Scheduled Audits for Sub recipients.)	As the reports are available
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The following monitoring activity will be carried out *monthly*: Desk reviews of monthly expenditure reports using Section II-F of the Guide. Financial oversight of all sub-recipients will be conducted through regular monthly voucher reviews, which include copies of back-up documentation for purchases over \$500.

The following monitoring activities will be carried out *quarterly*:

- Program reviews of subrecipient contracts
- Reviews of WIOA IB Performance Measures, Service Progression, Service Levels, Activity Levels, Exit Strategy, Analysis of the Relationship Between Expenditures and Program Activities, Trend Analysis, Transferable Skills, and Skill Training Related to Entered Employment using Section III-A of the Guide

The following monitoring activities will be carried out *annually*:

- Fiscal subrecipient monitoring using Section II-E of the guide. All program expenditures are reviewed to document program efficiency and effectiveness.
- Financial Management/Cost Allocation monitoring and Subrecipient Fiscal Contract Reviews using Section II-A of the Guide. Included in this review as an audit of subrecipients’ annual financial reports.
- Governance Reviews (if applicable)
- WIOA IB Adult, Dislocated Worker, and Data Validation Reviews using Section 1-A of the Guide. All sub-recipients will be monitored regarding their compliance with federal and state requirements for nondiscrimination and equal opportunity for employees and program participants. Each subrecipient is required to submit their organizational guidelines for meeting federal and state standards in addition to their process for dealing with related customer grievances.
- WIOA IB Youth and Data Validation Reviews using Section 1-B of the Guide. All sub-recipients will be monitored regarding their compliance with federal and state requirements for nondiscrimination and equal opportunity for employees and program participants. Each subrecipient is required to submit their organizational guidelines for meeting federal and state standards in addition to their process for dealing with related customer grievances.

The following monitoring activities will be carried out *every two years*:

- Procurement Reviews using Section II-C of the Guide
- Property Management Reviews using Section II-D of the Guide

At least once a year, on-site visits will be conducted for each sub-recipient. The reviews will be a coordinated effort involving both the fiscal and programmatic monitors and this team of monitors will meet on a regular basis to discuss current issues and future on-site reviews. The sub-recipient

will be notified at least two weeks prior to the on-site visit to ensure that the appropriate staff will be available to handle the reviewer's requests. On-site fiscal reviews will take place between March 1st and June 30th of each year.

Sub-recipients/sub-grantees seeking renewal and/or increase in funding as a potentially renewable funded project will be required to provide, as part of the proposal/request for renewal process, performance outcomes against stated deliverables from the preceding contract year for review and consideration.

Reporting and Resolution of Findings

The results of monthly and quarterly monitoring will be reported only if they result in significant findings. Significant findings are defined as those findings that: may have a material impact on the financial reports which RochesterWorks, Inc. submits to NYSDOL; may materially impact the ability of the Workforce Board to meet established program performance measures; or represent a substantial violation of WIOA statutory and regulatory requirements. If such findings result, a report will be prepared and sent to the subrecipient that was reviewed within 30 days of the exit conference and the NYSDOL FOTA representative will be copied in.

For annual and bi-annual monitoring a "Report on the WIOA Financial and Administrative Review" will be prepared and sent to the subrecipient that was reviewed whether or not there are any significant findings.

Monitoring reports will be prepared within 30 days of completion of the review. Subrecipients will receive feedback on compliance issues as well as a formal request for corrective action if programmatic and/or fiscal matters need to be addressed. RochesterWorks, Inc., on behalf of the Board, will work with subrecipients to ensure accountability and compliance with state and/or federal mandates. The original copy of each correspondence will go to the individual that signed the contract(s). Copies of correspondence will go to the person that coordinated the review and the program manager.

If corrective action is necessary, the subrecipient will be given 30 days to respond with a corrective action plan, with a complete plan being implemented in 30 days. The corrective action would be reviewed 30 days after implementation for compliance and the program improvement requested. If the corrective action does not provide the necessary improvements, the subrecipient will receive a fiscal penalty or the contract termination process will begin.

For career center monitoring of WIOA and Trade Act files a final report, including follow up on any weaknesses and the status of the career center's corrective action, will be issued within 90 days of the issuance of the original monitoring report.

Again, if there are any significant findings, a copy of the letter and any subsequent letters regarding the findings will be sent to our NYSDOL State Representative(s).

Business Services Central Operations

In order to maintain proper oversight of the delivery of services to the local business community, RochesterWorks, Inc. will serve as the central operator of business services for the workforce Development area. Staff from RochesterWorks, Inc. will act as the first point of contact for business services, providing information on training resources, recruitment services, labor market information and other services designed to improve the productivity and competitiveness of local businesses. RochesterWorks, Inc. will hire staff to provide the connection between job seeker services provided through the RochesterWorks! Career Centers and the needs of businesses. These staff will work cooperatively with Career Center operators to facilitate the above captioned business services and those yet to be identified.

The centralization of business services under RochesterWorks, Inc. will improve the outcomes associated with programs funded by the Workforce Innovation and Opportunity Act. It will also provide the Board with one point of information and accountability to allow the local system to be more responsive to the needs of local businesses.

The provision of business services will be overseen by the Workforce Development Board, including the Executive Committee.

Department of Labor Requirements

Throughout the implementation of this plan, RochesterWorks, Inc. and the Workforce Development Board assure the New York State Department of Labor that they will comply with all regulations related to the Workforce Investment Act, Workforce Innovation and Opportunity Act, and any other workforce program regulations.

The Department of Labor will be copied in on the reports that contain any significant findings resulting from oversight and monitoring activity. This notification will include the corrective action plan necessary to correct any significant findings.

RochesterWorks, Inc. Sub-recipient Audit Resolution Effective August 30, 2018

Background

Recipients of Federal financial assistance must ensure that all sub-recipients comply with audit requirements of 2 CFR 200.501 (Audits of States, Local Governments, and Non-Profit Organizations). A recipient that passes down funds to a sub-recipient must ensure that the entity receiving the funds has a Single Audit conducted if the entity meets the expenditure threshold.

Findings in the Single Audit report must be resolved within six months of receipt of the audit report.

Policy

Per 2 CFR 200.507(c)(1), audits are to be completed and required reports be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. Unless restricted by Federal law or regulation, the auditee must make report copies available for public inspection. Auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information.

At least annually, for those sub-recipients that have not submitted a current audit report or certification stating that one is not required, the Director of Finance/H R will send out letters requesting Single Audits or certifications from sub-recipients. As the audits/certifications are submitted, they will be stamped with the date received, reviewed and added to a spreadsheet listing all sub-recipients and the contract information. Date received will be entered into the spreadsheet. Copies of request letters, certifications and audits will be filed by sub-recipient name in hard copy or in electronic copy. Prior to executing new contracts, sub-recipients will be required to submit current Single Audits, if applicable. If a Single Audit is submitted with findings, RochesterWorks, Inc. programs, a follow-up letter will be sent to the sub-recipient and the procedures outlined in chapter II-12 of the USDOL's One-Stop Comprehensive Financial Management Technical Assistance Guide will be followed. Commercial organizations which are sub-recipients under WIOA Title I and which expend more than the minimum level specified in 200.507 must have either an organization-wide audit conducted in accordance 200.507 or a program specific financial and compliance audit.

RWI will verify that every subrecipient is audited as required by Subpart F—Audit Requirements of 2 CFR part 200 when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501 Audit requirements. If the subrecipient exceeded the threshold requiring a single audit and they did not have a single audit performed the RWI will follow the following process:

- i. RWI will notify the subrecipient by email and require the subrecipient remit a single audit report within 30 days.
- ii. If the subrecipient has not remitted to the pass-through entity the required single audit report, RWI will send an official communication informing the subrecipient that they must provide evidence that single audit services have been sought and the single audit is in process, with an estimated deadline of single audit report issuance.
- iii. If the subrecipient has not made any attempt to provide proof that a single audit has been completed or is in the process of being completed with a projected date of completion, RWI will send an official notice that the subaward funds are going to be withheld by the pass-through agency.

If inaction continues, RWI will consider taking enforcement action against noncompliant subrecipients as described in 2 CFR 200.338 Remedies for noncompliance and in program regulations

Post Single Audit Review Requirements

If there are no significant finding(s) resulting from the review of the sub-recipient's single audit, no further action will be taken.

Should there be an unfavorable finding in the single audit review, RWI will notify the subrecipient, in writing, within 30 days of the finding(s) and the need for corrective action. Concurrently, copies will be sent to the Monroe WDB Director and within sixty (60) days, the subrecipient will be required to respond in writing detailing the corrective action plan it has instituted.

Record Retentions

All documentation regarding monitoring will be kept in a file for all sub-recipient contracts. The records retention for subrecipients will be retained for a period of three years from the date of submission of the final expenditure report to the Federal awarding agency or pass through entity in the case of a subrecipient. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken in accordance with TA #16-2/2 CFR 200.333 for record keeping guidance.