



<b>Policy:</b>	<b>Monitoring Policy</b>
<b>Number:</b>	<b>WIOA 01-44 (REV 1 June 11, 2025)</b>
<b>Effective:</b>	<b>March 6, 2024</b>

#### **Purpose:**

This policy details the compliance monitoring and oversight provided by the Northwest Workforce Council (NWWC) of its funded subrecipients and contractors, as well as its internal monitoring of its activities and performance as a direct service provider, if applicable.

#### **Background:**

NWC, as a recipient of WIOA funding, is required to conduct regular oversight and monitoring of its subrecipients and service provider contractors as detailed in 20 CFR 683.410. The purpose is to ensure compliance with WIOA and other legal requirements, to monitor that contractors are achieving intended results, and to assure proper stewardship of public funds.

#### **Policy:**

NWC will conduct ongoing program and fiscal monitoring, as well as annual monitoring of all contracted subrecipients as well as any NWC contracted providers serving participants funded with federal or state funds. In addition, NWC will conduct internal monitoring of its contract performance, if it is serving as a direct service provider to WIOA Youth, Adult and Dislocated Worker participants.

#### **Internal, Subrecipient and Contracted Service Provider Monitoring:**

- **On-Going Programmatic Review** – NWC staff will review enrollments, services provided and expenditures compared to program or contract goals for services provided by NWC directly, as well as by subrecipients and contracted direct service providers. NWC will communicate directly in ongoing fashion as necessary with internal staff and contracted providers to problem solve and suggest improved strategies to meet expected results.
- **On-Going Fiscal Review** – The Executive Director or designee and Financial Director review all cash disbursements for prior approval, program and contract compliance and reasonableness. This includes review of billing by any subcontractors and contracted direct services providers.
- **Annual Contracted Audit** – An independent CPA firm performs a single audit in accordance with Washington State Policy No 5255 Revision 2 and 2 CFR Part 200 Subpart F - Audit requirements - when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501. They test internal control and WIOA program compliance, issuing an opinion on each.

- **Annual Monitoring of Subrecipients and Direct Services Providers** – This review will include:
  - **Administrative and Financial Policies and Practices** - Evaluation for compliance with contract terms and conditions and relevant law and regulations.
  - **Programmatic Review** – Evaluation of the NWC contracted programs and services, including those to eligible participants, for compliance with federal and state legislation and appropriate contracted deliverables and anticipated outcomes.
- **Risk Assessment** - NWC evaluates each subrecipient's fraud risk and risk of noncompliance with any subaward. This evaluation is conducted using the Risk Assessment Monitoring Tool and includes, but is not limited to, the following criteria:
  - (1) The subrecipient's prior experience with the same or similar subawards;
  - (2) The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with 2 CFR 200, subpart F and the extent to which the same or similar subawards have been audited as a major program;
  - (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
  - (4) The extent and results of any recent Federal agency or local monitoring.

Using the outcome of the risk assessment monitoring tool and depending on the potential risk identified, NWC may increase the number of participant files reviewed, the number of fiscal transactions reviewed, or request additional financial and performance reports for entities determined to be higher risk.

- **Single Audit Review** - NWC verifies that a subrecipient is audited as required by 2 CFR 200, subpart F and ensures that the subrecipient takes corrective action on Single Audit findings related to the subaward. When audit findings related to the subaward exist, the subrecipient must provide the NWC with information on their plan for corrective action, documentation of steps completed, and any assistance needed to resolve the situation.

Upon reviewing the subrecipient's corrective action plan, NWC issues a management decision for any audit findings that pertain specifically to the federal award provided to the subrecipient, as required under 2 CFR § 200.521.

This decision includes whether the audit finding is sustained, the reasons for the decision, and any expected subrecipient actions to address the finding, including required corrective actions, repayment, or other remedies. Management decisions will be issued within 12 months of the audit's acceptance to the Federal Audit Clearinghouse (FAC), will include the reference number assigned to each audit finding, and describe any appeal process available to the auditee.

- **Post-Monitoring Follow Up** - As part of its follow-up actions, NWC provides subrecipients with training and technical assistance on program-related, fiscal, and administrative matters, conducts site visits to review subrecipient program operations, and, when appropriate, arranges for agreed-upon procedures (AUP) engagements in accordance with 2 CFR § 200.425.
- One-Stop Operators are classified as subrecipients and are responsible for providing system coordination services rather than direct services to participants. NWC conducts annual monitoring of the area's One-Stop Operator, focusing on contract deliverables and performance, the single audit (if applicable), and administrative and fiscal policies and practices. Expenses are reviewed as part of NWC's ongoing fiscal oversight processes described above.
- **Annual Periodic Third Party Monitoring of NWC Delivery of Direct Services to Youth, Adults and Dislocated Workers, if NWC is operating in that role.**  
The internal monitor is scheduled to conduct a minimum of two comprehensive file reviews each program year using a representative random sample for all active contracts in a program year. One monitoring session is to be completed on site. During a program year, the scope of work for internal monitoring includes:
  - Eligibility and Priority of Service
  - Documentation of service delivery, follow up services, and case notes
  - Data element validation
  - Policy compliance
  - Documentation of performance data
  - Objective assessment and youth program elements

The scope may also include areas of concern from any prior monitoring review or area of concern as outlined by program management staff.

The monitoring tools used to perform monitoring functions will be the most recently [published tools](#) use by Workforce Monitors on the Workforce Professional Website or tool that are substantially similar to the published tools.

#### **Monitoring Reports:**

- **Subrecipient and Contracted Service Providers** – NWC staff will issue Draft and Final Monitoring Reports following the monitoring review of any subrecipient or contracted direct service provider. These two documents are provided at least annually and together fulfill the requirements in Washington State Policy 5414 Revision 2.
- A draft monitoring report includes a summary of the on-site visit including the scope and time period of the review. It also identifies any findings, unresolved questioned costs, disallowed costs and noted practices. The draft monitoring report is issued to the Executive Director of the organization being monitored and sets forth a specified period in which to respond.

- A Final Monitoring Report includes responses to the findings, unresolved questioned costs, disallowed costs and noted practices. The Final Monitoring Report is issued to the Executive Director of the organization being monitored.
- **Internal Monitoring of NWC as Direct Service Provider**  
The internal monitor will prepare and submit a report to the Quality Assurance Committee, or any other committee designated by the Northwest Workforce Development Council.

The report will:

- Address all items covered on the scope of review
- Identify the review tools used
- Identify the number of files reviewed for each contract fund source.
- Identify any issues of concern or findings
- Identify any noted practice or evidence of quality.

Should there be any findings or trends of non-compliance, this area will remain an area of focus for the next internal monitoring review and may require corrective action by the Northwest Workforce Council staff.

- **Monitoring Reports, both of External contracted Providers and Internal Monitoring are shared with the NW Board Quality Assurance Committee for review.**

#### References:

[20 CFR §683.410;](#)

[State Policy 5414, Revision 2, Compliance Monitoring of WIOA Title I and Related Discretionary Awards](#)

[2 CFR §200.332;](#)

[2 CFR §200.501;](#)

[State Policy 5255, Revision 2, WIOA Audit Requirements, Reports, and Resolutions](#)