



# Monitoring and Oversight

Department: Office of Economic & Workforce Development

Effective Date: March 1, 2023

Directive #: WDD 23-18

Supersedes: 18-07

## **PURPOSE**

This policy provides the guidance and establishes procedures for the annual oversight and monitoring practices for all OEWD Workforce Programs.

## **REFERENCES**

- [WSD22-02 Standards for Oversight and Instruction for Substate Monitoring \(July 20, 2022\)](#)
- [WIOA \(Public Law 113-128\) Sections 107, 108, 121, 129, and 184.](#)
- [Title 2, Code of Federal Regulations \(CFR\) Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(Uniform Guidance\)](#)
- [Title 2 CFR Part 2900: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(Department of Labor \[DOL\] Exceptions\)](#)
- [Title 20 CFR Sections 679.430, 683.200, 683.400, 683.410, and 683.430](#)
- [Department of General Services \(DGS\) State Contracting Manual](#)
- [Workforce Services Directive \(WSD\) 17-08, Subject: Procurement of Equipment and Related Services \(March 14, 2018\)](#)
- [WSD17-05 Oversight and Monitoring of Nondiscrimination and EO Procedures- \(August 29, 2017\)](#)
- [WSD17-01, Nondiscrimination and Equal Opportunity \(EO\) Procedures \(August 1, 2017\)](#)
- [WSD22-03 Data Validation Source Documentation Directive \(August 12, 2022\)](#)
- Department of Housing and Urban Development (HUD) and Community Development Block Grant (CDBG) [24 CFR 85.40](#) and [24 CFR 570.501-503](#)
- [City and County of San Francisco Office of the Controller and SF Board of Supervisor's Budget and Legislative Analyst Program and Fiscal Oversight Review](#)
- [OEWD WDD21-41 Oversight and Monitoring of Nondiscrimination and EO Procedures](#)

## **BACKGROUND**

The WIOA Section 107(d)(8) requires that the Local Board, in partnership with the local Chief Elected Official (CEO), must conduct oversight of the WIOA programs and the America's Job Center of California (AJCC) system in the Local Area to ensure the appropriate use and management of funds for workforce development activities and to maximize the performance outcomes. In San Francisco, the Mayor is the local Chief Elected Official.

Regular monitoring of contractor finances and programming allows OEWD and the CEO to ensure that Title I disbursement complies with the applicable uniform cost principles as well as the uniform administrative requirements for grants and agreements applicable for the type of entity receiving the funds, as published in the Office of Management and Budget's Uniform Guidance.

- Title 20 CFR Section 683.200 provides the general fiscal and administrative rules applicable to the use of WIOA Title I funds. Entities receiving WIOA Title I funds must follow the uniform administrative cost requirements contained in the Uniform Guidance at Title 2 CFR part 200,

including any exceptions identified by DOL (including agencies and organizational units) in the DOL Exceptions at Title 2 CFR part 2900, as applicable to their type of organization.

- Title 20 CFR Section 683.200 further identifies applicable cost principles at subpart E and appendices III through IX at Uniform Guidance Title 2 CFR part 200 regarding allowable costs. Title 20 CFR Section 683.400 requires that subrecipients must continuously monitor grant-supported activities in accordance with the uniform administrative requirements at Title 2 CFR part 200 (Uniform Guidance).
- Title 20 CFR 683.410(a) requires that each subrecipient must conduct regular oversight and monitoring of its WIOA activities and those of its subrecipients and contractors. The purpose of this requirement is to ensure that expenditures meet the cost category and cost limitation requirements of WIOA and the regulations, that there is compliance with other provisions of WIOA and the regulations, assure compliance with the Uniform Guidance at Title 2 CFR part 200 and other applicable laws and regulations, and to provide technical assistance as needed. Uniform Guidance Section 200.501(g) requires subrecipients to ensure that the procurement, receipt, and payment for goods and services received complies with federal and state laws, regulations, and subrecipient policies, and the provisions of contractors' contracts and agreements.

Further guidance from the Employment Development Department (EDD) is provided in Directive WSD17-08 (PDF), Procurement of Equipment and Related Services and WSD17-01 (PDF), Nondiscrimination and Equal Opportunity Procedures. Title 20 CFR Section 683.410(6) states that the Governor may issue additional requirements and instructions to subrecipients regarding monitoring activities.

## **POLICIES AND PROCEDURES**

OEWD will conduct annual compliance reviews of all workforce funded programs, including Youth programs, to ensure that providers are meeting and documenting services according to funding requirements and contractual agreements.

### **Oversight Standard**

OEWD, in partnership with the CEO, shall oversee activities funded under WIOA Title I (WIOA Section 108), the One-Stop delivery system (WIOA Section 121), as well as the workforce activities funded by Community Development Block Grants (CDBGs) and the San Francisco General Fund.

The monitoring and oversight must be consistent with the requirements stated in WIOA and its associated regulations, other relevant regulation, Title 2 CFR Part 200, Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) 24 CFR 85.40, 24 CFR 570.501-503, the City and County of San Francisco Office of the Controller, SF Board of Supervisor's Budget and Legislative Analyst Program and Fiscal Oversight Review

This oversight shall include the following:

- As required by Title 2 CFR Part 200.318 the workforce area shall ensure that the procurement, receipt, and payment for goods and services received from contractors including on-the job training employers, are in accordance with the laws, regulations, and the provisions of contracts or agreements.

- Program and activities conducted in San Francisco must be operated in compliance with WIOA and all applicable federal, state, and local laws and regulations.
- All WIOA-funded subrecipient contracts must be allowable activities, contract charges must be allocated to appropriate cost categories, and proper fiscal records must be maintained.
- Programs and activities must be effective in meeting the goals established in the four-year local plan.
- The training and work environment must be safe for participants and staff members.
- OEWD must establish and operate appropriate and effective systems that comply with the nondiscrimination and equal opportunity provisions of WIOA and other federal and state nondiscrimination laws.
- Firewalls must conform to Title 20 CFR 679.430 for demonstrating internal controls and preventing conflicts of interests. Comprehensive and Affiliate Job Center contractors who provide Adult and Dislocated Worker Career Services must have appropriate firewalls in place between the staff providing services, the staff responsible for oversight of services, and the Local Board.

Annual monitoring will follow a standardized review methodology that will result in written reports which record findings, disallowed costs (if applicable), any needed corrective actions, and due dates for the accomplishment of corrective actions. Single audit reports do not take the place of an oversight or monitoring review for any subrecipient, AJCC, contractor, and/or training provider.

### **Program Monitoring**

The annual program monitoring process will include the following:

#### Pre-Monitoring Review

Prior to the scheduled monitoring visit, a pre-monitoring review will be conducted by Program Specialists, which provides the basis for the on-site/remote review. This process includes a review of the program's performance goals and its required components. It may also include the review and/or examination of other program related materials such as contracts or subcontracts, previous monitoring reports and corrective action plans. The pre-monitoring review can indicate a program's accomplishments and problems, and serve as a basis for prioritizing on-site visits and developing questions for the on-site review. The desk review may consist of the following:

- Contract terms and conditions
- Statement of work and participant plan
- Program goals and objectives
- Applicable policies and procedures
- Sample Participant Case File Review

#### **Site Visit**

The site visit is to observe staff in action and review the physical location's physical and programmatic accessibility. Physical accessibility will be reviewed against OEWD WDD21-41 Oversight and Monitoring of Nondiscrimination and EO Procedures. At a minimum, programmatic accessibility includes that participants are aware of opportunities and their rights. Job Centers are required to post the following policies: minimum wage, nondiscrimination procedure, grievance and complaint procedure, Equal Opportunity is the law and OSHA Information, both in English and in alternative formats of all procedures for individuals with vision loss and/or individuals who speak languages other than English. Site visit may be conducted remotely at the discretion of OEWD.

## **Participant Interviews**

OEWD will interview at least two (2) participants per program area for the agency. Interviews may be via phone, video chat or in person.

## **Participant Case File Review**

As part of the annual program monitoring, no fewer than (5) case files per program area will be reviewed per each OEWD-funded program area. If applicable, OEWD may expand the required number of files to be reviewed to include (but not limited to) participants who have attained measurable skills gain, received industry-recognized certificate, or have obtained employment. Contractors are required to provide OEWD participant case files within 5 business days of request.

Case file review will check for full and accurate completion of the following forms:

### For CDBG and General Funds

- Workforce Development Application Form
- OEWD Release of Information
- OEWD Participants Rights and Responsibilities
- Case notes should document every 30 days or quarterly (detailed)

### For WIOA Adult and Dislocated Worker

- OEWD WIOA Workforce Central (WFC) application
- WIOA Title I Form that is required for Adult and Dislocated Worker
- WFC enrollment, exit and follow-up form
- OEWD Release of information
- OEWD Participants Rights and Responsibilities
- Case Notes (must indicate enrollment, placement, activity start dates, & closures/exit)

### For WIOA Youth

- OEWD WIOA Workforce Central (WFC) application
- WIOA Youth Eligibility Checklist
- Individual Service Strategy (ISS)
- WFC enrollment, exit and follow-up form
- OEWD Release of information
- OEWD Participants Rights and Responsibilities
- Case Notes (must indicate enrollment, placement, activity start dates, & closures/exit)

## **Case Notes**

Case file review will also include review of Case Notes. Providers must record monthly (CDBG and San Francisco General Fund) or quarterly (WIOA) case note summaries. Case notes must include dates of service, description of services provided, closures/exits and any next steps. For customers receiving training through an individual training account, documentation of the participant and training providers' eligibility must be documented.

## **Documentation**

Case file review will check that accepted form of documentation has been collected and recorded. For WIOA programs, see Data Validation Policy for a list of data elements that will be under review for document review. For all programs, including non-WIOA programs, Employment Verification

documentation will be reviewed for any one of the following accepted form of employment verification:

- OEWD Form 117 - Written Employment/Education Verification Form, completed and signed by employer
- Jobs Portal verification
- Copy of check stub
- Copy of official letter of employment from employer
- Email from employer confirming proof of employment
- Third party employment verification (TheWorkNumber)
- Bank statement of direct deposit with employer name on statement
- Placement Verification Waiver Form (PVWF)
- Education Placement (if applicable): Class schedule or acceptance letter

## **Fiscal Monitoring**

### Desk Review

Prior to the scheduled monitoring visit, a desk review will be conducted, which provides the basis for the on-site review. The desk review includes a review of the program's performance goals and its required components. It also includes the review and/or examination of other program related materials such as contracts or subcontracts, previous monitoring reports and corrective action plans. The desk review can indicate a program's accomplishment and problems, as well as serve as a basis for prioritizing on-site visits and developing questions for the on-site review. The desk review may consist of the following:

- Contract terms and conditions
- Statement of work and participant plan
- Program goals and objectives
- Applicable policies and procedures
- Review of prior monitoring reports
- Information on timely submission of required reports/transaction
- Memorandum of Understanding/In-Kind
- General ledger
- Payroll records
- Supportive services records
- Cash disbursement journal
- Procurement policies and procedures manual

Per EDD, fiscal monitoring may include the following:

- Identify procedures to require subrecipients, on a periodic basis, to provide documentation to support claim reimbursements prior to payment. Periodic basis must be identified within the procedures.
- Identify procedures on when to disallow costs due to non-compliance
- Describe procedures to ensure that the procurement, receipt, and payment for goods and services received complies with federal and state laws, regulations, and subrecipient polices, and the provisions of contractors' contracts and agreements. (Uniform Guidance Section 200.501[g]) While contractors are not subject to the scope of the monitoring requirements for subrecipients, Local Areas are responsible for ensuring compliance regarding contractor transactions. The procurement of goods and services from contractors must comply with federal and state requirements in the EDD Directive WSD17-08.

- Require that all financial records, supporting documents, statistical records, and all other non-federal entity records pertinent to a federal award must be retained for a period of three years from the date of submission of the financial reports; and other documentation pertaining to monitoring and other oversight activities must be made available for review by federal and state officials. (Uniform Guidance Section 200.333)

#### Corrective Action and Follow up

WIOA requires systematic follow-up to ensure that necessary corrective action has been taken. (WIOA Section 184 [a][5][A]) Subrecipients with noted deficiencies on monitoring reviews must submit supporting documents to the Local Board and/or CEO until the deficiencies are corrected and not repeated. Submissions must include proper and adequate documentation that demonstrates that the findings have been corrected and not repeated by their subrecipient. Subrecipient and AJCC system follow-ups need to provide specific and timely corrective actions.

#### *Retention of Records*

- Require that all financial records, supporting documents, statistical records, and all other non-federal entity records pertinent to a federal award must be retained for a period of three years from the date of submission of the financial reports and other documentation pertaining to monitoring and other oversight activities must be made available for review by federal and state officials. (Uniform Guidance Section 200.333)
- Local Areas must keep copies of their compliance monitoring efforts and reports on file. The Local Area's compliance monitoring reports should be used as an assessment reference when developing Corrective Action Plan (CAPs), and for scheduled onsite monitoring reviews that may be required by authorized federal and state reviewers.

#### **ACTION**

OEWD Workforce service providers must ensure that the policies and procedures described herein are communicated throughout the operations, management and governance structure of the Job Center and that this Directive is appropriately maintained until further notice.

#### **INQUIRIES**

Inquiries should be addressed to the OEWD Director of Workforce Strategy at (415) 701-4848 or email [workforce.connection@sfgov.org](mailto:workforce.connection@sfgov.org).

*OEWD and its service providers shall follow this policy. This policy will remain in effect from the date of issue until such time that a revision is required.*