



408 Washington Avenue, Suite 210, West Plains, Missouri 65775 ❖ Phone 417-257-2630 ❖ Fax 417-257-2633 ❖ MO Relay 711

**Board Meeting
1:00 pm, July 26, 2022
Missouri Job Center -- Poplar Bluff**

Call-in Number: 1-408-418-9388
Meeting access code: 2558 331 7886
Meeting Password: 68446737 then #

Revised Agenda:

- I. Call to Order.....Becky Brooks
- II. Roll Call.....Donna Parrott
- III. Chair Remarks Becky Brooks
- IV. New WIOA Sub-Recipient Report.....Larry Melf & Ben Santlofer
- V. Consent Agenda Items.....Action Item
 - July 26, 2022, Board Meeting Minutes
 - June 2022 Financial Board Report
 - Wipfli Financial Monitoring Report and Response
 - Final Fiscal Monitoring Reports for OAI and SCMCAA
 - Executive Director Report
 - Compliance Monitoring Report for Program Year 2021
 - PY22 2-Year Local Plan Modification
 - Sustainability Plan
 - CLEO Agreement
 - One-Stop Operator (OSO)
 - Fiscal Agent Agreement
 - Newest Job Center Surveys
- VI. Acknowledgement of Sub-State Monitoring Report presented to Board.Cindy Asberry
- VII. Finance Report..... Donna Smith
 - SCWIB PY22/FY23 Admin BudgetAction Item
 - Audit RFP.....Action Item
- VIII. CLEO Meeting July 26, 2022 Update.. Jesse Roy
- IX. South Central WIB Election of PY22 Officers.....Action Item
- X. Announcements
- XI. Adjournment

Next Meeting Date Includes Retreat– Tuesday, October 25, 2022



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408 Washington Avenue, Suite 210, West Plains, Missouri 65775 ❖ Phone 417-257-2630 ❖ MO Relay 711

**Board Meeting Minutes
1:00 pm Tuesday, April 26, 2022**

In person at Twin Pines Conservation Center and by Infinite Connect phone call.

Board members present: Board Chair Becky Brooks, Vice Chair Chris Oravec, Secretary Steve Halter, Treasurer Jody James, Lisa Aden, Joan Wright, Diana Ball, Ryan Hampton, Julie Carter, Robin Thomas, Cody Dalton, BJ Wear, Mike Ennis, Dennis Lancaster by proxy of Sheila Barton, Melinda Hathcoat, Logan Waggoner, Jennifer Huguenot.

CLEO members present: Honorable Jesse Roy, Ripley County – Chair; The Honorable Mark Collins, Howell County; The Honorable Scott Long, Texas County; The Honorable Vince Lampe, Butler; and The Honorable David Stubblefield, Oregon County. By Phone, The Honorable John Turner, Ozark County.

SCWIB staff in attendance: Donna Parrott, Executive Director; and Cindy Staton, Compliance Officer.

Guest in attendance by person: Sean Mooney, Cathy Hicks, Cindy Bridges, Wanda Wallace, Terry Sanders and Ann Smith.

Guest in attendance by phone: Gwen Jackson, Gina Davis, Teresa Bruffet, Tonya Martin, Larry Melf, Melissa Altermatt, Garland Barton.

Call to Order: Becky Brooks called the meeting to order at 1:10 pm. Donna Parrott did roll call and it was established that there was a quorum.

Guest Garland Barton was recognized by Chair Becky Brooks and he announced that Mike Ennis will be awarded an Honorary Degree by Missouri State University West Plains on May 21st 2022. This degree will be given to recognize his dedication and contributions to his community and workforce development.

Minutes: Chair Becky Brooks asked if everyone had reviewed the minutes from January 25th, 2022 meeting and if there were any changes, additions or correction needed. With hearing none, a motion was made by Chris Oravec and 2nd by Lisa Aden to accept the minutes as presented. Motion Approved.

Executive Director Report: Donna Parrott gave a brief update for her report that was sent out ahead of time. The State Quarterly Report Card which was sent out for our region with the agenda was explained. Donna gave a brief update on the 4 year plan. The due date has been extended 45 days after the original due date of April 30th, approved by Office of Workforce Development. Steve Halter has been recommended as the apprenticeship representative and presented new board member, Logan Waggoner. She also stated that OWD has approved for the WIB to hold the Poplar Bluff Job Center lease and move to the Three Rivers Campus is the board approves. Finally, she discussed where the process with EDA Grant is at and the ARPA Grant as well.

WIOA Performance Report: Cindy Staton briefly reviewed the benchmarks, explaining that the sub-recipients were passing in some areas but were still failing to spend out Youth and Dislocated Worker funds. She also talked about the surveys for each job center. This information was also projected to the screen as well as shared in an email and a packet given to each board member.

Finance Report: Donna Smith did not attend the board meeting on this day. The information was shared by Donna Parrott. The information was projected on the screen for all to see, as well as being passed out in a packet to members that attended in person. Donna explained the current budget, how much of the WIOA funds were spent by Ozark Action Inc. and South Central Missouri Community Action Agency. It was also noted that there must be a 60/40 balance in expenditures for program and administrative costs. No monies would be moved to expand the administrative costs but could be allowed for program. A policy or procedure will be written up for how funds will be requested in the new program year. The carryover will be brought back in house and redistributed to meet state guidelines and will be brought back to the Board for further action in July. The report was then up for approval which was put into motion by Jody James and seconded by Chris Oravec. The motion was approved.

Committee updates were then given by five separate committees.

Committee for Inclusion was reported by Robin Thomas. She explained the work being done to host a reverse hiring event where employers would visit employees that would be set up at tables. She has found examples and will be moving forward from there.

Youth Committee was reported by Cindy Staton because Lisa Aden was unable to attend at the last meeting on April 5th. Cindy presented a policy revision for the youth incentive payments. This called for an action to vote. Lisa Aden made a motion, Chris Oravec seconded. The motion to approve the updated Youth Incentive Policy passed by vote of the Board members. The policy is active as of 4/26/22.

One Stop Operator and WIOA Program RFP was reported by Chris Oravec. Chris explained that the focus for both committees was the recent RFP. He explained that the RFP Committee had met and reviewed the two proposals submitted to the Board from Ozark Action Inc. and EDSI. Chris went on to say that the committee was made up of himself, Becky Brooks, Cody Dalton, Lisa Aden, and CLEOs Jesse Roy and Zach Williams. The process for review was thorough and they decided to go with EDSI since their proposal had earned more points in the scoring system than Ozark Action Inc. by 26.9. Then the floor was open for questions. Robin Thomas and Mike Ennis both asked questions. Cathy Hicks, a guest was recognized, and she asked questions as well. Questions were answered by Chris Oravec, Becky Brooks, and Donna Parrott. All were reminded that the contract would be carried by the sub-recipient for one year at a time and the performance would be reviewed on a regular basis. The Board was then asked if there was a motion to approve the RFP from EDSI and Lisa Aden made the motion, Robin Thomas seconded, and a vote was taken. Board members that abstained from the vote were Jody James and Diana Ball. The vote was unanimous with the rest of the attending Board members voting for EDSI to become the sub-recipient beginning in program year 2022.

Executive Committee report was given by Becky Brooks. At this time a motion to approve the lease was requested, Lisa Aden made the motion, Chris Oravec seconded, and the Board approved the motion.

CLEO meeting report was given by The Honorable Jesse Roy. He talked about attending the State of Missouri Commissioners meeting with Becky Brooks and Donna Parrott on March 2, 2022. He felt that there was a good discussion between commissioners and Dr. Mardy Leathers about workforce and expectations.

The floor was opened for additional announcements. There was nothing additional.

A motion was made to adjourn the meeting by Mike Ennis and seconded by Chris Oravec, the vote passed, and the meeting was over at 2:00 pm.

South Central Workforce Investment Board
Budget Report
July 1, 2021 Through June 30, 2022
Period Ending June 30, 2022

Including 2021 Carryover Funding

PROGRAM	BUDGET	EXPENSES	BALANCE	% Spent
Youth				
PY20 WIOA-Youth - Admin - Carry Over	\$ 40,775.22	\$ 40,775.22	\$ -	100%
WIB Program PY20	\$ 424,878.00	\$ 424,878.00	\$ -	100%
PY21 WIOA-Youth - Admin 21/22	\$ 39,315.00		\$ 39,315.00	0%
WIB Program/Cost Share 21/22	\$ 70,765.00		\$ 70,765.00	0%
Youth Program	\$ 283,077.00	\$ 84,600.59	\$ 198,476.41	30%
YOUTH Totals	\$ 858,810.22	\$ 550,253.81	\$ 308,556.41	
PY21 Work Experience for Region is 8.71%				
Adult				
WIOA Act-Adult Admin Carry Over	\$ 36,575.08	\$ 36,575.08	\$ -	100%
Program/Cost Share FY21	\$ 356,014.92	\$ 356,014.92	\$ -	100%
PY21 WIOA Act-Adult Admin 21/22	\$ 7,293.00		\$ 7,293.00	0%
WIB Program/Cost Share 21/22	\$ 12,883.14	\$ 388.42	\$ 12,494.72	3%
Program	\$ 52,759.86	\$ 52,759.86	\$ -	100%
	\$ 72,936.00	\$ 53,148.28	\$ 19,787.72	
FY21 WIOA Act-Adult Admin 21/22	\$ 34,375.00		\$ 34,375.00	
WIB Program/Cost Share 21/22	\$ 61,875.00		\$ 61,875.00	0%
Program	\$ 247,505.00	\$ 138,164.74	\$ 109,340.26	56%
ADULT Totals	\$ 343,755.00	\$ 138,164.74	\$ 205,590.26	
Dislocated Worker				
FY21 WIOA-Dislocated Worker Carry Over	\$ 37,016.36	\$ 37,016.36	\$ -	100%
WIB Program/Cost Share FY21	\$ 333,964.00	\$ 333,964.00	\$ -	100%
PY21 WIOA-Dislocated Worker 21/22	\$ 7,241.00		\$ 7,241.00	0%
WIB Program/Cost Share 21/22	\$ 13,033.00		\$ 13,033.00	0%
Program	\$ 52,145.00	\$ 52,145.00	\$ -	100%
	\$ 72,419.00	\$ 52,145.00	\$ 20,274.00	
FY22 WIOA-Dislocated Worker 21/22	\$ 30,814.00	\$ -	\$ 30,814.00	0%
WIB Program/Cost Share 21/22	\$ 55,665.00	\$ -	\$ 55,665.00	
Program	\$ 221,669.00	\$ 44,006.73	\$ 177,662.27	20%
DISLOCATED WORKER Totals	\$ 308,148.00	\$ 44,006.73	\$ 264,141.27	
Other Grants				
Equal Opportunity Compliance	\$ 25,000.00	\$ 22,706.15	\$ 2,293.85	91%
Covid 19 - WIB Admin	\$ 9,081.00	\$ 9,081.00	\$ -	100%
Covid 19 - Program	\$ 81,737.00	\$ 77,877.31	\$ 3,859.69	95%
	\$ 90,818.00	\$ 86,958.31	\$ 3,859.69	

FINANCIAL MONITORING REPORT



FINANCIAL MONITORING CONDUCTED BY:

Wipfli LLP

FOR:

South Central Region Workforce Investment Board
416 Washington
West Plains, MO 65775

Date of Report: May 24, 2022

WIPFLI



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May 24, 2022

The Honorable Zach Williams
Presiding Commissioner
Wright County Courthouse
P.O. Box 98
Hartville, MO 65667

Ms. Becky Brooks
McLaine Transportation
8498 Hwy 67N
Poplar Bluff, MO 63901

Dear Honorable Williams and Ms. Brooks:

Wipfli LLP (Wipfli) has conducted a fiscal monitoring review of the South Central Region Workforce Investment Board's (SCWIB) financial operations during the months of March and April 2021, on behalf of the Missouri Office of Workforce Development (OWD). In fulfillment of the requirements set out in the Office of Management and Budget 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the *Workforce Innovation and Opportunity Act (WIOA or Public Law 113-128)*, and other applicable federal and state regulations.

The regulations, among other requirements, mandate the monitoring of activities under federal awards. The scope of the financial monitoring review was designed to ascertain the degree of compliance with the referenced regulations to ensure accountability and integrity of OWD administered federal programs; and to provide reasonable assurance that grant funds are spent in a manner that is reflective of its appropriate intent.

The attached report serves as official notification of the conclusions of the review. For the areas reviewed no compliance findings and eight areas of concern were identified to be reported. In addition, opportunities are included for your consideration.

Should you have any questions, please feel free to contact Rebecca Fletcher at (573) 751-2374 or Denes Tobie, CPA at (608) 270-2929.

Sincerely,

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

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I. Executive Summary

The Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 2 CFR 200.329, requires the monitoring of activities under Federal awards to assure compliance with applicable Federal requirements. The *Workforce Innovation and Opportunity Act (WIOA) Section 184 (a)(4)*, also mandates the monitoring of each local area within the State to ensure compliance with OMB's Uniform Guidance.

Wipfli conducted a financial monitoring of the South Central Region Workforce Investment Board's (SCWIB) financial operations for the period January 1, 2021, through December 31, 2021, in fulfillment of the requirements of the Uniform Guidance, WIOA, and other applicable Federal and State regulations. Wipfli completed the monitoring remotely in response to the COVID-19 pandemic and commenced the monitoring process with a virtual entrance conference to discuss the scope of the review with SCWIB personnel. Wipfli concluded the remote monitoring with an exit conference to relay the preliminary results of the review.

Financial monitoring is not an audit and due to the limited scope of the monitoring, may not disclose all systems' weaknesses. The results presented in this report are based on the areas tested by Wipfli. The United States Department of Labor, the Missouri State Auditor's Office or any other applicable federal or state body may conduct reviews and have different conclusions, opinions, and/ or results.

In summary, this report contains no compliance findings, eight areas of concern, and several opportunities. See the Areas of Concern section of the report regarding any required follow-up action.

Subrecipient Information

Subrecipient	South Central Region Workforce Investment Board
Subrecipient Mailing Address	416 Washington West Plains, Missouri 65775
Subrecipient Location Address (If different from mailing address)	Same as Mailing Address
Subrecipient Primary Fiscal Contact Person	Ms. Donna Smith
Telephone	(417) 257-2630
E-Mail	dsmith@scwib.org

II. Scope of the Financial Monitoring

The scope of Wipfli's financial monitoring included the following:

Date of exit conference	May 24, 2022
Names and titles of those in attendance at the exit conference	Donna Parrott, Executive Director Donna Smith, Financial Manager
Sites visited	Due to the pandemic effects of the coronavirus (COVID-19), the financial monitoring was completed remotely.
Financial monitoring staff members who conducted the review	Financial monitoring was completed by Wipfli LLP, a contractor for OWD.
Programs reviewed	Programs funded by the Missouri Office of Workforce Development.
Time periods covered in the review	January 1, 2021 – December 31, 2021
Documents reviewed	See Appendix

The purpose of the financial monitoring review is to obtain reasonable assurance the subrecipient is in compliance with statutes, regulations, and terms and conditions of the subawards. Reasonable assurance is the level of confidence or comfort based on professional judgment obtained through interviews, understanding the operations, and testing performed to assess the performance of the subrecipient. The results presented in this report are based on the areas tested by Wipfli.

The scope of the financial monitoring utilized guidelines established in Uniform Guidance, WIOA, OWD, and the U.S. Department of Labor Employment and Training Administration (ETA). The financial content areas and processes monitored include the following, as applicable:

- Prior year corrective action follow-up
- Internal control environment and oversight
- Financial management
- Financial reporting and reconciliation including reporting to OWD
- Cash management
- Cost allocation
- Payroll and personnel procedures
- Subrecipient management and oversight

- Property and equipment management
- Public access to records and record retention
- Procurement and contract management
- Disbursement testing

Our review did not cover any areas outside of the defined scope of this monitoring.

III. Results of Financial Monitoring Review

Compliance Findings

Compliance findings (findings) are OWD items that disclose areas of significant non-compliance with WIOA, federal regulations, workforce development issuances or guidance, and material weaknesses in internal controls. Findings require written corrective action plans by either accepting OWD's recommendation or proposing and receiving approval for an alternate course of action. Regulatory compliance monitors will provide citations from WIOA, federal regulations, or OWD issuances and procedures to identify specific area of non-compliance and will explain the corrective measures necessary for resolution. The results of our monitoring disclosed no compliance findings.

Areas of Concern

Areas of concern (concerns) are OWD items that may or may not be compliance-based but may impede effectiveness and efficiency of providing services to individual and business customers. Concerns are suggestions to management and do not generally require a response unless specifically indicated. Resolved findings and accompanying corrective actions may be included in this category. Concerns, although resolved, may rise to a level of severity that is subject to follow-up during subsequent review. Regulatory compliance monitors may offer suggestions or guidance to assist the entity in making improvements or may make a referral for further technical assistance. The results of our monitoring disclosed eight areas of concern. The areas of concern require immediate correction. A written response to address the areas of concern are due within 30 days of the date of the report. The response and action plan are to be submitted to Wipfli via email to Ms. Denes Tobie, CPA, at dtobie@wipfli.com.

Concern #1 – MIP Accounting and Other System Accesses and Overall IT Security

During our review of MIP Accounting System Access and the IT Security Control environment, we noted situations that would inherently increase the risk of improper access to accounting records and other system software and records.

Per discussion with management, the MIP Accounting System was recently updated from their desktop version to a cloud-based version. In order to save costs a decision was made to only obtain one user account for MIP. The Executive Director and Finance Manager share the same username and password to access MIP and have all the same permission levels and capabilities. Therefore, either can make edits or book transactions with no audit trail as to who performed the work. As a result, there is an increased inherent risk that unintentional changes could be made to the financial records by a one or the other, without the other individual knowing.

There also is no policy to ensure user passwords are updated regularly for other system access, it is on the merit of each employee to update passwords. Not regularly updating passwords increases the inherent risk of improper access to system software and files, which contain personally identifiable information.

Recommendation: We recommended an additional license be procured to ensure everyone intended to have access to the system has their own individual sign in and password. System access including roles and responsibilities should then be established to ensure the appropriate permission levels are assigned to everyone as well as the appropriate access is given to each user. Permission levels and access should be reviewed at least annually to ensure the permission levels are still appropriate.

In addition, a policy should be established to ensure user passwords are updated on a regular basis. To ensure a consistent cadence, it would be appropriate to require all SCWIB system access passwords be updated on the same 90-day cadence as the MIP software.

Concern #2 – Local Plan Update

OWD Issuance 15-2021 'Local and Regional Plan Modification Procedures' describes OWD's procedures for local Workforce Development Boards (local WDBs) to modify Local Plans required by the Workforce Innovation and Opportunity Act (WIOA). The new procedure distinguishes between immediate Local Plan modifications and modifications that require submission at the end of the second year of the 4-year Local Plan. Although an official plan modification is only required at the end of two years, the local WDB must notify OWD of any changes that affect

the Local Plan by emailing dhewd.mowioaplan@dhewd.mo.gov. Submitted documents must include a header as outlined in the issuance. Any changes to policies and/or subsequent attachments must have OWD approval prior to implementation.

During 2021, Local Policy 03-2015-02 'Supportive Service Policy' and the Fiscal Manual, which includes the 'Procurement Policy', were updated. However, there was no documentation to support OWD's approval of the policies.

Recommendation: We recommend that any required Local Plan policies updated during the year are reviewed and approved by the Board and OWD and uploaded to the Local Plan.

Concern #3 – Statewide Sub-State Monitoring Policy

In 2021, Office of Workforce Development's (OWD) issued OWD Issuances 15-2020 and 11-2021 – Statewide Sub-State Monitoring Policy for Local Workforce Development Areas (LWDA) designated under WIOA. The updates include a new requirement that mandates Local Workforce Development Boards (Local WDBs) conduct quarterly programmatic, financial, and equal-opportunity monitoring, annual reviews of one-stop operators, detailed expectations for Annual Reports, and required deadlines. Issuance 15-2020 was effective April 1, 2021, and Issuance 11-2021 superseded 15-2020 and was effective September 24, 2021.

Per view of the Sub-State Monitoring Policy in the Local Plan and discussion with management, the Sub-State Monitoring Policy that was in place for 2021 had not been updated to implement the updates for OWD Issuances 15-2020 and 11-2021 which were effective April 1, 2021, and September 24, 2021, respectively.

However, management stated that they are in the process of updating the Sub-State Monitoring Policy.

Recommendation: We recommend SCWIB complete the update of the Sub-State Monitoring Policy to ensure it clearly incorporates OWD Issuance 11-2021, reviewed by the appropriate governance committees, and submitted to OWD for review and approval.

Concern #4 – Statewide Sub-State Monitoring

In 2021, Office of Workforce Development's (OWD) issued OWD Issuances 15-2020 and 11-2021 – Statewide Sub-State Monitoring Policy for Local Workforce Development Areas (LWDA) designated under WIOA. The updates include a new requirement that mandates Local Workforce Development Boards (Local WDBs) conduct quarterly programmatic, financial, and equal-opportunity monitoring, annual reviews of one-stop operators, detailed expectations for Annual Reports, and required deadlines. Issuance 15-2020 was effective April 1, 2021, and Issuance 11-2021 superseded 15-2020 and was effective September 24, 2021.

CWIB is the pass-through entity for subawards that were in effect during the monitoring period. During the monitoring, the following observations were noted that did not clearly demonstrate adherence to the OWD Issuances and the approved, Sub-State Monitoring Policy:

Risk Assessments:

A. As required, a risk assessment was prepared for the two subrecipients in June 2021, which would meet the requirements of assessing the subrecipient's overall ability to administer funds before renewing the award; however, the templated risk assessment form does not include all minimum assessment criteria listed in the OWD Issuances 15-2020/11-2021.

- Financial stability;
- History of performance;
- Timeliness of compliance; and
- Ability to effectively implement statutory, regulatory, or other requirements.

The risk assessment completed did not include any comments, references, or any other documentation to support the low, medium, or high assessment.

One-Stop Operator:

B. There was no documentation provided to support if an annual One-Stop Operator review was performed during 2021.

Programmatic Monitoring:

C. As required, programmatic testing was performed; however, there was no clear documentation if the monitoring was performed quarterly and if it addressed the minimum testing requirements listed in the OWD Issuance. This includes the

total populations obtained and how determination of sample selection size, test steps performed, results of testing, conclusions, etc.

There was no documentation in the Youth monitoring tools to support if the Out-of-School percentage requirement, 20% work-based learning with educational component requirement, 5% limit on In-School enrolled with 'Requires Additional Assistance' barrier, and 5% over-income exception was tested or if it was applicable.

There was also no clear documentation if there were any prior period monitoring observations that required follow up.

Data Element Validation:

- D. There was no documentation provided to determine if quarterly Data Element Validation was performed.

Financial Monitoring:

- E. Documentation provided supported financial monitoring was performed covering July 1, 2020 – June 30, 2021. However, quarterly financial monitoring was not performed after July 1. Documentation provided included a 'Pre-Visit Onsite Information Checklist' covering July 1, 2021 – March 31, 2022.

It did not appear any other minimum financial review monitoring requirements had been completed at the monitoring period (December 31, 2021); but, SCWIB has until June 2022 to complete all minimum testing requirements.

Although not required by regulation, there was no monitoring plan or other tool in place to ensure all minimum testing items listed in the OWD Issuance are reviewed throughout the year.

Equal Opportunity (EO) Monitoring:

- F. Management provided the following annual reports as documentation for performing quarterly EO Monitoring; however, none of the reports were had an issuance date:

- Equal Opportunity Program Data Analysis:
 - o South Central WIB - PY19

- Equal Opportunity Staffing Data Analysis:
 - o South Central WIB – PY20

- ETPS Monitoring Reports:
 - o Missouri State University – West Plains – PY19

There were no monitoring tools or other supporting documents provided that described the scope, test steps, and results of the monitoring work performed to support the observations in the report. There was no documentation to support how the work the work performed met the requirements of the Sub-State Monitoring Policy and OWD Issuances or any requirements outlined by the State EO Officer.

Recommendation: We recommend SCWIB:

- (1) Update the Risk Assessment template to include all required minimum criteria listed in the OWD Issuances and include comments to support the risk rankings.
- (2) Develop a plan that lists the monitoring procedures performed for 7/1/21 – 6/30/22, including what is still to be performed for the remainder of the program year. The plan should clearly document the procedures performed, including the quarter the procedures were performed in, any interim reporting that occurred, projected timeframe for the annual report, and how the procedures performed met all minimum requirements listed in the Sub-State Monitoring Policy and OWD Issuance 11-2021. Going forward, at the beginning of the program year an annual plan should be developed listing the monitoring procedures to be performed including how the procedures to be performed meets the Sub-State Monitoring Policy and OWD Issuance. Any questions regarding procedural compliance with policy or the issuances should be discussed with the applicable personnel at OWD.
- (3) Develop and/or enhance any monitoring tools utilized to ensure the quarterly and annual monitoring procedures performed meet and appropriately document the requirements listed in the Sub-State Monitoring Policy and OWD Issuances. The tools should document the testing performed, results of testing, and reference supporting documentation obtained to come to conclusions in reporting documents communicated to the Board and sent to the subrecipient. Additionally, the monitoring tools, testing workpapers, and other supporting documents utilized to perform testing should note the timeframe the monitoring work covered, who was responsible for performing the work, who reviewed and approved the work, and clearly document how the monitoring steps performed met the minimum requirements.

Concern #5 – Board Member Review and Signing Annual Conflict of Interest/Confidentiality/Code of Conduct and Attestation for Review of By-Laws

2 CFR 200.112, 200.318(c)(1&2), Section 107(h)(1-2) of WIOA, the OWD Financial Manual discusses conflict of interest. Per the regulations, each LWDB must establish a conflict of interest and code of conduct policy. These policies will ensure that employees, individuals or representatives of organizations entrusted with public funds will not personally or professionally benefit from the award or expenditure of such funds. The OWD Financial Manual states this requirement is not limited to only LWDB, but all recipients of DHEWD funds that fall under the broad category of "Subrecipient."

Per inquiry with management, the Board did not sign an annual Conflict of Interest/Confidentiality/Code of Conduct or review or sign an Attestation for Review of By-Laws during 2021. Additionally, it has not been documented if the By-Laws have been reviewed and/or updated since 2015.

However, management stated that these items were discussed during the Board and CLEO retreat in October 2021, but that there was no documentation to support the discussion.

Recommendation: Going forward, we recommend that the Board review and sign an annual Conflict of Interest/Confidentiality/Code of Conduct and Attestation for Review of By-Laws. Additionally, the By-Laws should be reviewed and approved to ensure it is current.

Concern #6 – Subrecipient Agreement – Ozark Action, Inc. and South Central Missouri Community Action Agency.

SCWIB subgrants funds to Ozark Action, Inc. and South Central Missouri Community Action Agency to perform and administer the WIOA Adult, Dislocated Worker, and Youth Programs and the duties of the One-Stop Operator (OSO).

SCWIB had an initial agreement for a one-year term with an option to extend the agreement for up to three (3) additional one-year terms, upon approval of the Board. This agreement between SCWIB and Ozark Action, Inc. and South Central Missouri Community Action Agency expired on June 30, 2021, and required renewal.

However, the contract renewal and Notice of Obligation was not finalized and formally in effect until September 2021. Therefore, the two subrecipients were operating without a formal, executed agreement in place from July 1 to September 15, 2021.

Per management, the executed agreement did not go into place until September because SCWIB did not have budgetary amounts available to put into the agreement. To bridge the gap, SCWIB developed a Letter of Intent to outlining carryover funds to be used until an agreement could be put in place.

Recommendation: We recommend that agreements are negotiated, signed, and in place before execution of services.

Concern #7 – Internal Controls – Policies and Procedures

2 CFR 200.303 requires a non-Federal entity to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. It requires compliance and evaluation and monitoring Federal statutes, regulations, and terms and conditions of the Federal awards; and, taking prompt action when instances of noncompliance are identified.

- Overall, we noted that most policies and procedures have not been reviewed or updated within the last several years. Several policies included within the Personnel Handbook had not been reviewed or updated since 2010. Below are examples of policies we noted that have not been reviewed and/or updated recently. Note - this list is not an all-inclusive list.
 - Employee handbook – no date listed when last reviewed/updated.
 - Confidentiality – 10/2011
 - Drug or Alcohol Use – 11/2010
 - E-Verify Policy – 7/2018
 - Bonding Policy – 7/2018
 - Personally Identifiable Information (PII) - 6/2018
 - Conflict of Interest – 4/2017
 - Destruction of Records – 1/2014
 - Retention of Records Policy – 6/2018
 - Cash Disbursements and Inventory – 10/2011
 - Business Travel Expense – 11/2010
 - Reporting Waste Fraud & Abuse - no date listed when last reviewed/updated.
 - Employee Conduct and Work Rules – 11/2010
 - Credit Card Usage – 11/2010

- Salary Administration – 11/2010
- On the Job Training Information – no date listed when last reviewed/updated.
- Paydays – 11/2010
- Health Insurance Policy – 10/2011
- Personnel Policy – Retirement Policy – 1/2019
- Sick Leave Policy – 10/2011
- Vacation Leave Policy – 10/2011
- Unclaimed Property – 7/2010
- Problem Resolution (Employee Grievance) – 11/2010
- Bereavement Leave – 11/2010
- Educational Assistance – 11/2010

We noted the following policies need to be updated to incorporate recently issued OWD Issuances and/or enhanced to provide clarification of the policy meets the intent of the applicable regulations. This list is not all inclusive.

Individual Training Accounts (ITA) Policy:

- Per review of the October Board meeting minutes, there was a request and approval to revise the ITA cap per participant from \$6,500 to \$5,000. However, the policy does not appear to have been updated as of the monitoring period.

Confidentiality Policy:

- SCWIB utilizes the OWD Issuance 19-2019 'Confidentiality and Information Security Plan' as their Confidentiality Policy and have staff sign a 'Confidentiality User Attestation Form'. This is referenced in SCWIB's Financial Policy under the 'Confidentiality' section. However, we noted that it references an outdated OWD Issuance. It references OWD Issuance 13-2016 instead of 19-2019. The Confidentiality Policy also references Issuance 13-2016. The policy should also be updated to reflect the updated issuance.

New Board Member Orientation Policy and Procedure:

- OWD Issuance 11-2020 – 'Local Workforce Development Board Membership and Orientation Requirements, and Recertification Procedures', effective January 15, 2021, requires Local WDBs to develop a new policy outlining their new Board member orientation process. Additionally, the Local WDBs are required to submit the policy OWD.

Per management, there is no formal policy in place, but a 'New Board Member Onboarding Agenda' was provided that documents what is performed when providing the training. The items on the agenda appear to meet the requirements in the issuance.

A policy should be created to meet the requirements of the issuance and the agenda provided should be included as a supplementary document to the policy.

Protecting Personally Identifiable Information:

- Per review of the SCWIB's Personally Identifiable Information (PII) Policy, dated 6/20/18, it references DWD Issuance 13-2016; however, this issuance is no longer in place. OWD has since updated and issued OWD Issuance 19-2019 'Confidentiality and Information Security Plan'.

Recommendation: We recommend that all policies and procedures in place by SCWIB be updated and reviewed to ensure it reflects current operating procedures and clearly documents adherence to all applicable federal and state regulations, including all current OWD issuances. If an OWD issuance is adopted as the formal policy of SCWIB, the applicable policy manual or other document(s) should be updated to document the adoption.

Opportunities

In planning and performing our monitoring, we considered SCWIB's financial internal controls and processes for the purpose of performing monitoring procedures, but not for the purpose of expressing an opinion on the effectiveness of internal controls.

During the monitoring, Wipfli identified opportunities for the entity to consider in strengthening internal controls, improving processing efficiencies, or to incorporate best practices. These opportunities do not require a written corrective action plan.

Internal Controls

1. Documenting policies and procedures will help standardize processes and serve as a communication document to train staff/board members and inform auditors and monitors of the financial controls and procedures adopted by the entity, which strengthens internal controls. Wipfli recommends strengthening internal

controls by preparing and documenting policies and procedures, and management decisions, for the following (2 CFR 200.303):

Policies and Procedures:

Comparison of Expenditures with Budgeted Amounts

- Currently, the financial manual does not specifically address management's and/or the Board's comparison of expenditures with budgeted amounts for each federal award. However, per discussion with SCWIB management and review of documents being sent to the Executive Committee, budget to expenditures is reviewed monthly. As part of day-to-day operations, approval is made for procurements after reference to the budget for fund availability.

Although procedures are being performed, we recommend the Financial Manual be updated to reference how management prepares reports and how management and the board reviews expenditures to budgeted amounts for each Federal Award.

Board Oversight

2. The Uniform Guidance requires non-federal entities to establish and maintain a system of internal control (2 CFR 200.303) and a financial management system that includes records documenting compliance with federal statutes, regulations, and terms and conditions of the award (2 CFR 200.302). Further, the SCWIB board is to provide operational oversight to help develop a quality workforce development system (20 CFR 679.300).

- There is no formalized training plan for the Board. However, it was noted that training was provided in conjunction with the South Central Workforce Investment Board & CLEO Retreat held in October 2021.

We recommend a formalized Board training plan be developed and updated annually based on an identified list training needs deemed necessary to assist the Board with providing oversight over SCWIB. This training should occur at least annually, and at a minimum should include training on fraud risks and internal controls. This training should be separate from an orientation training that would be offered to new board members. The training helps ensure Board members are prepared to carry out and understand their roles and responsibilities. Regular board training will also help members understand the grant regulations, interpret financial results, assess financial stability, understand program outcomes,

monitor key strategic results, understand fraud risk and internal controls, and more.

- There was no documentation to support if the Board conducted a performance and compensation review for the Executive Director.

We recommend SCWIB create a policy and/or update the applicable policies in place to establish a process for the Board to perform an annual performance and compensation review for the Executive Director.

Property and Inventory Management

3. There was no documentation to support if the preparation of the inventory count was reviewed or approved by anyone other than the preparer. Additionally, from the support provided it did not appear inventory had been reconciled to the general ledger – or if it was deemed necessary to reconcile to the general ledger.

We recommend SCWIB implement a procedure to document when the inventory of equipment was completed and reconciled to the general ledger, including documenting any disposals and if any proceeds were received.

Documentation should include who was responsible for performing the inventory, the date the inventory was completed, reconciliation to the G/L, and who was responsible for reviewing the preparation and completion of the work. Management should also consider communicating to the board when the equipment inventory was performed as part of a financial update – ideally towards the end of the fiscal year. The document should include the completion date, any additions or dispositions throughout the year, method of disposal, and if any proceeds were received. For any proceeds were received, communicate how it was booked and if it was reported on the CPR.

4. Per review of the inventory listing, all required information that must be captured was listed in the header section of the spreadsheet except for a column to document fair market value and methodology for establishing fair market value. Additionally, it was noted that not all required information was included for the equipment listed. This may be the result of incomplete records in the past, information was not applicable, or an oversight when completing the listing.

We recommend that all equipment information be completed in the inventory listing. For any sections that are not applicable, it should be noted with an N/A or

similar annotation. For any sections where information was not available to complete, a comment should be added stating why the information was not entered. This will help ensure that a complete inventory listing is maintained.

Salary and wage scales for comparability to market

5. The Uniform Guidance states that charges to federal awards for costs of compensation are allowable, provided the cost is reasonable (2 CFR 200.430(a)). A common best practice to establish reasonableness of salaries and wages is by preparing a wage and benefit comparability study for the market area.

To help ensure SCWIB's wage and benefit scale is reflective of its current market, we recommend a new review of wage scale and compensation be performed for all employees to help ensure current salaries and wages reflect current market rates. This should be reviewed and approved by the SCWIB Board. The process for preparing and reviewing the study, including the frequency, should also be documented in the applicable policy deemed most appropriate.

A current study helps justify and support having high quality staff to provide programs and services to the community and to assure compliance with federal and state grant regulations. It further helps to provide supporting documentation in planning and budgeting for staffing needs for federally funded programs and services.

Prior Year Corrective Action Status

The prior financial monitoring was conducted in April and May 2020, with no compliance findings and one area of concern. Based on current year testing, the area of concern appears to have been resolved. A corrective action plan was not required to be submitted to OWD.

IV. APPENDIX

The entity provided specific documentation throughout the monitoring process, as requested. In general, selected documents reviewed during monitoring include the following, in addition to other documents requested to complete testing:

1. Financial reports, such as trial balances and detail general ledgers
2. Reports, such as obligation reports, financial reports, prior year monitoring report
3. Select policies and procedures – financial
4. Select policies and procedures – human resources/ personnel
5. Bank statements and reconciliations
6. Information regarding the entity's cost allocation method
7. Subrecipient agreements and monitoring records
8. Information regarding employee compensation and payroll transactions
9. Procurement records and disbursement transactions



South Central WORKFORCE Investment Board

408 Washington Ave., Suite 210, West Plains, Missouri 65775 ❖ Phone 417-257-2630 ❖ Fax 417-255-8799 ❖ MO
Relay 711

South Central WIPFLI Monitoring Responses June 24, 2022

Concern #1 – MIP Accounting and Other System Accesses and Overall IT Security - New user Donna Parrott has been set up in MIP as a user as of June 21, 2022. Passwords will follow policy. Policy will be looked at to see if it is need of new wording.

Concern #2 – Local Plan Update – We will continue to work with our OWD monitor with any local policies that we update to ensure they are approved by OWD along with our SCWIB Board.

Concern #3 – Statewide Sub-State Monitoring Policy – The deadline for the Statewide Sub-State Monitoring Policy is June 30, 2022. SCWIB is currently updating this policy and the updated policy will be sent to OWD by the deadline date. It will be also presented for approval to the full board at the quarterly board meeting on July 26, 2022.

Concern #4 – State Sub-State Monitoring

- A. Risk Assessments: SCWIB has adopted the Risk assessment sent out by the State and has completed the Subs Risk Assessment for PY22 as of March 22, 2022.
- B. One-Stop Operator: We have hired a new Quality Assurance/EEO Compliance Officer who will ensure that this review is completed on an annual basis.
- C. Programmatic Monitoring: We have hired a new Quality Assurance/EEO Compliance Officer who will ensure that this requirement is met, and any needed follow-up is completed.
- D. Data Element Validation: This documentation was provided in a spreadsheet to the Wipfli auditor.
- E. Fiscal Monitoring: Monitoring tools for Fiscal Monitoring will be in place by July 31, 2022, with a detailed listing of the 7 elements the Fiscal Sub-state monitoring policy 11-2021 has outlined. Fiscal Monitoring report for FY22, will be completed by June 30, 2022, and presented at the July 26, 2022, Board meeting for approval. Fiscal does a monthly monitoring of all Participant charges, as subs send in invoices, verification of documentation as to why the charge was needed, and documentation as to payment information. If Fiscal finds anything of concern, they call sub immediately. As stated, not required by

regulations, there were no written monitoring reports for the first 3 quarters. However, a final monitoring report will be done as stated above by June 30, 2022.

- E. Equal Opportunity (EO Monitoring): We have hired a new Quality Assurance/EEO Compliance Officer who will ensure that an issuance date is included on the EO Monitoring.

Concern #5 – Board Member Review, Signing of Annual Conflict of Interest/Confidentiality/Code of Conduct and Attestation – Each year the SCWIB conducts an in-person Board training, and they will adopt this in their yearly training. We have recently obtained the software for DocuSign and will use this method to obtain any signatures not acquired during the yearly training.

Concern #6 – Subrecipient Agreement – The Contracts for our Subs for PY21/FY22 were signed by Donna Parrott, Executive Director and Dated 9/14/2021. The Subs were operating under a Letter of intent for the FY22 funding, and both had carryover money in which they were operating on. Therefore, both were still in compliance with WIOA contracts for PY20/FY21. As we do not have our State Contracts before July 1, we are unable to give our Sub-recipient their contracts before July 1 of each year. Contracts are given to Sub-recipients

Concern #7 – Internal Controls – Policies and Procedures – SCWIB staff are aware that these policies and procedures do need to be reviewed and updated as needed. Due to our limited staff, we ensure that program and fiscal policies and procedures are updated to remain in compliance with federal TEGL's and state Issuances. With the upcoming program year, we will begin to review and update the employee policies and procedures.



South Central
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Investment Board

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Relay 711

Date: June 23, 2022
To: South Central Board of Directors and Ozark Action Management
From: Donna Smith, Fiscal Officer
Subject: Fiscal Monitoring for Ozark Action Inc. for Program year July 1, 2021, through June 30, 2022

The following is a Fiscal Monitoring report for Ozark Action, Inc, the subcontractor for the Workforce Innovation and Opportunity Act (WIOA) in the Western half for the South Central Workforce region. This review is result of requirements set forth by the policies of the Office of Workforce Development (OWD) Issuance 11-2012. This Financial Monitoring Review is conducted to ensure the adequacy of internal controls and the reliability of the subrecipient's financial management system as they relate to the administrative subaward. This review must ensure the subrecipient meets the terms and conditions of the subaward and the fiscal goal or requirements, and that the amounts reported are accurate, allowable, supported by documentation and properly allocated to each grant.

INTRODUCTION

Staff from the South Central Workforce Investment Board (SCWIB) conducted a financial monitoring for Ozark Action, Inc. (OAI) for the WIOA programs of Adult, Dislocated Worker and Youth for the program year ending June 30, 2022. SCWIB conducted this monitoring remotely, reviewing the information sent in each month with OAI monthly invoice for reimbursement and with an onsite visit April 13, 2022. The financial monitoring is not an audit and, due to the limited scope of the review, may not disclose all systems' weaknesses.

The SCWIB is also required to do a Risk Assessment of its subrecipients each year. This was completed on March 22, 2022, by Executive Director, Donna Parrott, Compliance Officer/EO Officer Cinthia Asberry and Financial Officer, Donna Smith. The over all risk assessment final totals were 1.5 which is considered a Medium risk, set forth by the State of Missouri on a Scale of 0-5. The medium score of 1.5 was partial due to the fact of high staff turnover, and continued program monitoring issues and low expenditures throughout the year.

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South Central Workforce Investment Board is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.

Findings – Findings are notations that disclose significant deficiencies, material weaknesses in the internal controls, material non-compliance, or other significant actions that compromise program integrity. Findings require written corrective action plans by either accepting given recommendations or proposing and receiving approval for an alternate course of action. Sanctions may be imposed for failure to timely corrective action. In certain circumstances, Findings may require more serious or immediate actions. OAI had no (0) Findings during this Audit.

Concerns – Concerns are items that disclose violations or non-compliance with applicable Federal and State laws, rules and regulations and generally accepted accounting principles (GAAP). Concerns require written corrective action plans, when noted, by either accepting the SCWIB recommendations or proposing and receiving approval for an alternative course of action. OAI had two (2) Concern, neither require written responses, since OAI will not be the subrecipient for the coming contract year, due to the results of the RFP.

Area of Opportunities - Area of Opportunities are to strengthen internal controls and operating efficiencies, or to incorporate best practices. These opportunities do not require a written corrective action plan.

OAI sends the Financial Monitor a copy every month for review of the following: Monthly Financial report for each WIOA Program, copy of participant expenditures with appropriate documentation to support each expenditure, copy of proof of payment for those expenditure, and copies of Staff timecards. When monitor was onsite the following were also reviewed: Monthly Bank Statements, Policies, OAI Board documents required for the WIOA programs, Insurance Policies, Everify for both OAI employees and a sampling of participants being paid by work experience for each of the grants. The fiscal monitoring more than met the requirement of items reviewed, do to the fact that all participant expenditures are reviewed each month, and when questions arose, they were delt with each month.

For the Financial Monitoring Review, the following areas were reviewed.

1. **Audit Resolution/Management Decisions** - After review of OAI external Audit, there were found to be no problems identified by the independent auditor.
2. **Financial Reports** – A review of bank statements for the month of February 2022, were found to be complete and accurate. Monthly expenditures on the financial reports were found to be allowable, accurate and necessary to carry out the task of helping participants gain resources for better employment in their future.
3. **Internal Controls** – Review of policies and procedures for internal controls were found to be adequate in carrying out the WIOA Programs.
4. **Source Documentation** – Monthly review of all participant charges were found to be allowable, accurate and necessary for each expenditure.
5. **Cost Allocation/Indirect Costs** – OAI has a federal indirect cost rate of 12.4%, however they only charge the WIOA program 10% of program costs each month. Participant costs are charged directly to each program where they meet the requirements. Staffing costs are

recorded by each day according to where/what staff worked on each day. Travel by staff is also charged to each program directly.

6. **Cash Management** – OAI is on a reimbursement contract. Therefore monthly invoices, timecards, and payment verifications are reviewed each month.
7. **Procurement** – OAI had no procurements in this fiscal year. Their Audit is conducted by and outside independent Auditor for the entire Community Action Agency, with WIOA only being a part of this audit.

OAI Programs of Adult/Dislocated Worker in fulfillment of the Contracts thru May 31, 2022, are as follows. Adult funding of \$123,000 was spent at 88.8% with the admin portion of this contract at 50.5% and the Program portion at 49.5%. Thus, almost meeting the ratio of 50/50 as recommended. Dislocated Worker funding of \$112,340 was spent at 67.9% with the admin portion of this contract at 62.2% and the Program portion at 37.8%. Thus, exceeding the ratio of 50/50 as recommended. (Area of Opportunity #1) and (Area of Opportunity #2) Youth funding of \$116,112 was spent at 53.2% with the admin portion of this contract at 59.6% and the Program portion at 40.4%. Thus, exceeding the ration of 50/50 as recommended. (Area of Opportunity #1) Subrecipients are asked to be at 70% spent by the end of the program year, in order for the region to meet their requirement of 80% spent for the region.

Area of Opportunity #1

OAI was over Admin for both Dislocated Worker and Youth funding sources. This has been addressed in the Agency Quarterly reports to OAI. OAI ensures this will fall in line by the end of the fiscal year 6/30/2022, as they have outside funding to supplement to ensure Grants meet the 50/50 requirement. When a subrecipient goes over the 50/50 required percentages of admin vs program, thus hinders the region of being able to maintain their 60/40 required by state for the region.

Area of Opportunity #2

OAI had several line item expenditures out of Budget for that line, before asking for approval to modify their budget. OAI, and SCWIB fiscal did work through the process of updating budgets after the fact, resulting of no disallowed cost due to the fact of being over budget on those line items.

Accounting system and financial reporting

SCWIB monitor asked for and received all pertinent documentation by request date. OAI utilizes Accounting software Black Baud, switching over to MIP as of July 1, 2021, for tracking all Revenue and Expenditures pertaining to these grants. OAI keeps all WIOA Funding sources separate in their accounting system for reporting purposes. SCWIB monitor was provided a copy of OAI most recent Certificate of Insurances, and Pledge Securities. All meet the appropriate guidelines.

Internal Controls

In reviewing OAI Policies and Procedures and Financial Manual, SCWIB found all policies to be up to date and current for the WIOA contracts and requirements.

Timesheets

Monitor picked a random sampling for participant work experience timesheets. All charges appear to be allowable, accurate and necessary. Monitor reviewed staff timesheet as well, all charges appear to be allowable, accurate and necessary.

Salary and Bonus Limitations

SCWIB monitor reviewed the salaries and benefits paid to OAI employees. All employees are compensated below the Executive Level II rate of pay.

Interest Earned

Some of OAI checking accounts are Interest Bearing Accounts. The interest earned is recorded back into the Corporate Account and accounted for each month. OAI does not have interest for the WIOA grants, as OAI is on a reimbursement basis.

Purchase of Equipment (Inventory)

There were no equipment/inventory costs or procurements incurred during this program year for WIOA funding.

E-Verify

OAI uses the e-verify for all new employees, and follows the 3 day rule. No problems were found with this process.

Prepared by Donna Smith, Fiscal Manager Date: 6/23/2022

Reviewed by: Donna Jo Parrott Date: 6-29-2022



South Central
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Investment Board

408 Washington Ave., Suite 210, West Plains, Missouri 65775 ❖ Phone 417-257-2630 ❖ Fax 417-255-8799 ❖ MO
Relay 711

Date: June 28, 2022
To: South Central Board of Directors and South Central Missouri Community Action Agency
From: Donna Smith, Fiscal Officer
Subject: Fiscal Monitoring for South Central Community Action Agency for Program year July 1, 2021, through June 30, 2022

The following is a Fiscal Monitoring report for South Central Community Action Agency, the subcontractor for the Workforce Innovation and Opportunity Act (WIOA) in the Eastern half for the South Central Workforce region. This review is result of requirements set forth by the policies of the Office of Workforce Development (OWD) Issuance 11-2012. This Financial Monitoring Review is conducted to ensure the adequacy of internal controls and the reliability of the subrecipient's financial management system as they relate to the administrative subaward. This review must ensure the subrecipient meets the terms and conditions of the subaward and the fiscal goal or requirements, and that the amounts reported are accurate, allowable, supported by documentation and properly allocated to each grant.

INTRODUCTION

Staff from the South Central Workforce Investment Board (SCWIB) conducted a financial monitoring for South Central Missouri Community Action Agency (SCMCAA) for the WIOA programs of Adult, Dislocated Worker and Youth for the program year ending June 30, 2022. SCWIB conducted this monitoring remotely, reviewing the information sent in each month with SCMCAA monthly invoice for reimbursement and with an onsite visit April 19, 2022. The financial monitoring is not an audit and, due to the limited scope of the review, may not disclose all systems' weaknesses.

The SCWIB is also required to do a Risk Assessment of its subrecipients each year. This was completed on March 22, 2022, by Executive Director, Donna Parrott, Compliance Officer/EO Officer Cinthia Asberry and Financial Officer, Donna Smith. The overall risk assessment final totals were 1.63 which is considered a medium risk, set forth by the State of Missouri on a Scale of 0-5.

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[South Central Workforce Investment Board](#) is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.

The medium score of 1.63 was partial due to the fact of high staff turnover, and continued program monitoring issues and low expenditures throughout the year.

Findings – Findings are notations that disclose significant deficiencies, material weaknesses in the internal controls, material non-compliance, or other significant actions that compromise program integrity. Findings require written corrective action plans by either accepting given recommendations or proposing and receiving approval for an alternate course of action. Sanctions may be imposed for failure to timely corrective action. In certain circumstances, Findings may require more serious or immediate actions. SCMCAA had no (0) Findings during this Audit.

Concerns – Concerns are items that disclose violations or non-compliance with applicable Federal and State laws, rules and regulations and generally accepted accounting principles (GAAP). Concerns require written corrective action plans, when noted, by either accepting the SCWIB recommendations or proposing and receiving approval for an alternative course of action. SCMCAA had two (2) Concern, neither require written responses, since SCMCAA will not be the subrecipient for the coming contract year, due to the results of the RFP.

Area of Opportunities - Area of Opportunities are to strengthen internal controls and operating efficiencies, or to incorporate best practices. These opportunities do not require a written corrective action plan.

SCMCAA sends the Financial Monitor a copy every month for review of the following: Monthly Financial report for each WIOA Program, copy of participant expenditures with appropriate documentation to support each expenditure, copy of proof of payment for those expenditure, and copies of Staff timecards. When monitor was onsite the following were also reviewed: Monthly Bank Statements, Policies, SCMCAA Board documents required for the WIOA programs, Insurance Policies, E verify for both SCMCAA employees and a sampling of participants being paid by work experience for each of the grants. The fiscal monitoring more than met the requirement of items reviewed, since all participant expenditures are reviewed each month, and when questions arose, they were dealt with each month.

For the Financial Monitoring Review, the following areas were reviewed.

1. **Audit Resolution/Management Decisions** - After review of SCMCAA external Audit, there were found to be no problems identified by the independent auditor.
2. **Financial Reports** – A review of bank statements for the month of February 2022, were found to be complete and accurate. Monthly expenditures on the financial reports were found to be allowable, accurate and necessary to carry out the task of helping participants gain resources for better employment in their future.
3. **Internal Controls** – Review of policies and procedures for internal controls were found to be adequate in carrying out the WIOA Programs.
4. **Source Documentation** – Monthly review of all participant charges were found to be allowable, accurate and necessary for each expenditure.

5. **Cost Allocation/Indirect Costs** – SCMCAA has a federal indirect cost rate of 9.5%. Participant costs are charged directly to each program where they meet the requirements. Staffing costs are recorded by each day according to where/what staff worked on each day. Travel by staff is also charged to each program directly.
6. **Cash Management** – SCMCAA is on a reimbursement contract. Therefore monthly invoices, timecards, and payment verifications are reviewed each month.
7. **Procurement** – SCMCAA had no procurements in this fiscal year. Their Audit is conducted by and outside independent Auditor for the entire Community Action Agency, with WIOA only being a part of this audit.

SCMCAA Programs of Adult/Dislocated Worker in fulfillment of the Contracts thru May 31, 2022, are as follows. Adult funding of \$123,000 was spent at 81.8% with the admin portion of this contract at 36.8% and the Program portion at 63.2%. Thus, meeting the ratio of 50/50 as recommended. Dislocated Worker funding of \$112,340 was spent at 32% with the admin portion of this contract at 55.2% and the Program portion at 44.85%. Thus, exceeding the ratio of 50/50 as recommended. (Area of Opportunity #1) and (Area of Opportunity #2) Youth funding of \$116,030 was spent at 50.6% with the admin portion of this contract at 48.6% and the Program portion at 51.4%. Thus, meeting the ratio of 50/50 as recommended. Subrecipients are asked to be at 70% spent by the end of the program year, for the region to meet their requirement of 80% spent for the region.

Area of Opportunity #1

SCMCAA was over Admin for all three WIOA Grants sometime during the year, but as of May 31, 2022, only Dislocated Worker is still over. This has been addressed in the Agency Quarterly reports to SCMCAA. SCMCAA ensures this will fall in line by the end of the fiscal year 6/30/2022. When a subrecipient goes over the 50/50 required percentages of admin vs program, thus hinders the region of being able to maintain their 60/40 required by state for the region.

Area of Opportunity #2

SCMCAA had several line item expenditures out of Budget for that line, before asking for approval to modify their budget. SCMCAA, and SCWIB fiscal did work through the process of updating budgets after the fact, resulting of no disallowed cost due to the fact of being over budget on those line items.

Accounting system and financial reporting

SCWIB monitor asked for and received all pertinent documentation by request date. SCMCAA utilizes MIP Accounting software. SCMCAA keeps all WIOA Funding sources separate in their accounting system for reporting purposes. SCWIB monitor was provided a copy of SCMCAA most recent Certificate of Insurances, and Pledge Securities. All meet the appropriate guidelines.

Internal Controls

In reviewing SCMCAA Policies and Procedures and Financial Manual, SCWIB found all policies to be up to date and current for the WIOA contracts and requirements.

Timesheets

Monitor picked a random sampling for participant work experience timesheets. All charges appear to be allowable, accurate and necessary. Monitor reviewed staff timesheet as well, all charges appear to be allowable, accurate and necessary.

Salary and Bonus Limitations

SCWIB monitor reviewed the salaries and benefits paid to SCMCAA employees. All employees are compensated below the Executive Level II rate of pay.

Interest Earned

Some of SCMCAA checking accounts are Interest Bearing Accounts. The interest earned is recorded back into the Corporate Account and accounted for each month. SCMCAA does not have interest for the WIOA grants, as SCMCAA is on a reimbursement basis.

Purchase of Equipment (Inventory)

There were no equipment/inventory costs or procurements incurred during this program year for WIOA funding.

E-Verify

SCMCAA uses the E-verify for all new employees, as well as Work Experience employees, and follows the 3 day rule. No problems were found with this process.

Prepared by Donna Smith, Fiscal Date: 6/28/2022
Reviewed by: Donna Jo Barrett Date: 6-29-2022

SCWIB Executive Director Report for Tuesday, July 12, 2022
Updated for Tuesday, July 26, 2022

- State OWD Quarterly Performance Review --
 1. The State Quarterly Report Card for PY21 Q3 was received.
 2. The complete State Quarterly Report Card is available if you would like it emailed to you.
- SCWIB Board Certification -- has been approved.
- PY22/FY23 Annual Agreement – 70/30 – Issuance to be sent from OWD.
- Missouri Job Centers
 1. Poplar Bluff – Was relocated June 1, 2022. Ribbon Cutting scheduled after July 26, 2022, following the SCWIB Board meeting
 2. West Plains – Moved smaller desks into West Plains Job Center from Poplar Bluff and exchanged large rolling chairs used for clients for stationary chairs for safety reasons.
 3. Both Job Centers have the same cubicle set ups.
- MoJobs was down due to GeoSol being breached. No Missouri MoJobs employer, job seeker, or client information was comprised. Job Centers and partner staff continued servicing clients through paper applications were applicable. These paper applications are not being uploaded into the system.
- PY22 Annual Agreement and Assurance – Documents for review and approval are part of the ‘consent agenda’.
- October 25, 2022 –
 1. Next Board Meeting to be held in West Plains
 2. Board Training will be held before the meeting
 3. Ribbon Cutting for West Plains Missouri Job Center
- Sub-Recipient EDSI --
 1. Very pleased with the transition to EDSI
 2. No former WIOA staff applied for the positions. SCMCAA retained their one WIOA staff in another capacity. OAI retained all except one of the WIOA staff in other capacities.
 3. One new WIOA staff was brought on board June 26, 2022
 4. Offer letters have gone out for others
- \$18,000 given to each WIB
 1. Received notice morning of June 28 and confirmation late that date with NOO
 2. Had to be spent by June 30 on items for participants
 3. Spent \$17,993.75 by deadline on the following to be used for training computers for Job Centers and offsite testing and training:
 - 15 Vostro 5410 laptop computers with Microsoft Office
 - 15 Headphones
 - 10 Wireless Portable Document Scanners

- OWD Grant Programs*
 1. COVID – The program has been extended another year and we will be receiving program dollars but do not know what those are at this time.
 2. Show-Me Hero – We are passing on this program at this time but will revisit it in the future.

- Department of Social Services (DSS) Grant Programs*
 1. Jobs League – We were offered \$15,000 for this program year and there will be \$1,500 administrative dollars for us. This grant is effective July 1 and we will be serving clients when we have received the grant dollars.
 2. SkillUp – We were offered two different programs with \$30,000 (TANF) and \$20,000 for this program year. The administrative dollars will be \$3,000 and \$2,000 respectively. This grant is effective July 1 and we will be serving clients when we have received the grant dollars.

- Other Grants – Non-WIOA*
 - EDA grant – We are still in the running for this grant. Additional information was requested of the four WIBs. They are asking for everything on the front side of this grant. This will be the third time that EDA has requested various information be provided concerning budgets and documents we have submitted. This grant will be handled through the South Central WIB office.
 - Missouri DED ARPA “Workforce Training Grant” opportunity. We will be partnering with EDSI on this grant and I will be working on this grant and will be requesting help from SCOCOG on the parts that I am unsure of the information that the application is needing. The launch date is July 2022 and I have the program guidelines and am reviewing them. The maximum grant amount is \$1,000,000 and will be looking at this amount for the grant. Funds may only be used for costs incurred between March 3, 2021, and September 30, 2026. If successful, this grant will be set up using EDSI in helping reach the employers and job seekers in the South Central Region.

- Braiding Grants – All of these grant will be braided with the WIOA grants if a participant is WIOA qualified.

- Consent Agenda is being introduced at this Quarterly Board Meeting. Please be patient with us as we use this new process. It is a time saving method that groups routine, procedural, informational, and self-explanatory business and reports into one agenda item. This new agenda will allow us time to bring in WIOA Partners and see how our services can work together to help our region’s citizens. This process is used with several other WIB Boards and other professional board meetings

- Using a policy specialist to help with required policy updates and review of the SCWIB By-lays and the CLEO Agreements.

- July and August Deadlines
 1. Sustainability Plan
 2. Missouri DED Workforce Training Grant
 3. Wipfli – Policy Updates
 4. Response to Program Year 2021
 5. EDA Grant – Additional Information
 6. Annual Agreement MOU/IFA’s
 7. Other Annual Agreement documents
 8. Poplar Bluff Job Center Recertification – Due to Move

Mardy Leathers, DMgt, Director

Office of Workforce Development

June 17, 2022

The Honorable Jesse Roy, Presiding Commissioner
Ripley County Courthouse
100 Court House Square
Doniphan, MO 63935-1699

Becky Brooks, Acting Chair
McLane Transport
8498 U.S. 67
Poplar Bluff, MO 63901

Dear Commissioner Roy and Ms. Brooks:

The Office of Workforce Development (OWD) Regulatory Compliance Team conducted a Monitoring Review of the South Central Local Workforce Development Board (Board) for review period July 1, 2021-Present.

The Compliance Team examined the South Central Local Workforce Development Board's program operations to ensure established policies achieve program quality and outcomes meet the objectives of the Workforce Innovation and Opportunity Act, comply with federal and state regulations, and OWD policy and procedures. This Report serves as the official notification of the conclusions from the review. For the areas reviewed, the Compliance Team identified six (6) Findings and eight (8) Areas of Concern. A response is required for five (5) Findings and one (1) Area of Concern within **30 days** of the date of this report. Should you have questions, please contact Yvonne Wright at (573) 751-3300 or my office at (573) 751-3349.

Sincerely,



Mardy Leathers, DMgt
Director

c: Donna Parrott
OWD Senior Staff

301 West High Street, Suite 870 | P.O. Box 1087 | Jefferson City, MO 65102-1087
(573) 751-3999 | Fax (573) 751-8162

COMPLIANCE MONITORING REPORT PROGRAM YEAR 2021

South Central Workforce Development Board
408 Washington, Ste. 210
West Plains, MO 65775

Review Period: July 1, 2021-June 30, 2022

Grant/Programs Reviewed:

PY21 WIOA Formula Programs: Adult, Dislocated Worker, Youth
PY21 Wagner-Peyser Program
PY21 Unemployment Insurance Programs: RESEA
PY21 Trade Adjustment Assistance
WIOA NDWG-Missouri Works Together (October 1, 2018-September 30, 2022)
WIOA NDWG-COVID-19 Humanitarian Grant (April 1, 2020-June 30, 2022)
Show-Me Heroes (January 1, 2021-December 31, 2021)

Review included but not limited to:

Local Plan
Board Website “Conduct Business in an Open Manner”
Sub-State Monitoring
Data Element Validation (DEV) Monitoring
One-Stop Operator Agreements

Compliance Team: Donna Brake and Heather Covington

I. EXECUTIVE SUMMARY

The Office of Workforce Development (OWD) Regulatory Compliance Team conducted a Monitoring Review of the South Central Local Workforce Development Board in fulfillment of monitoring requirements of the regulatory mandate established by 20 CFR (Code of Federal Regulations) 683.410 requiring the State’s monitoring system to provide annual monitoring reviews of the Local Workforce Development Areas. The purpose of the review is to evaluate the management and administration of the workforce programs under Board auspices, implemented by the Board’s subrecipient(s), for the quality of services and the performance of the programs in order to determine if the Board is operating in compliance with current agreements and in a manner that will ensure achievement of program goals and outcomes.

This report contains all issues identified by the Regulatory Compliance Team during the monitoring, but does not assure that other problems do not exist. The Review is not an audit and due to its limited scope, may not disclose all program deficiencies. The basis of the opinions expressed in this report are areas reviewed by the Regulatory Compliance Team. The United States Department of Labor, the Comptroller General of the United States, the Missouri State Auditor’s Office, or any other appropriate Federal or State body, or any of these agencies’ designated representatives, may conduct reviews and have different conclusions or opinions.

The Regulatory Compliance Team conducts its initial phase of examining program participant records via desktop monitoring using various State of Missouri databases, followed by the on-site review. During the on-site review, the Regulatory Compliance Team conducts a review with the LWDB management and staff personnel, which focused on desktop results, gaining clarification of local processes and policies, alerting local staff to problems, resolving as many issues as possible, and discussing the scope of the review.

II. REPORT STRUCTURE

Findings – Findings are Workforce Development notations that disclose material non-compliance with WIOA, federal regulations, Workforce Development Issuances or guidance, material weaknesses in internal controls. Findings require written corrective action plans by either accepting OWD’s recommendation or proposing and receiving approval for an alternate course of action. Regulatory Compliance monitors will provide citations from WIOA, federal regulations, or OWD Issuances and procedures to identify specific area of non-compliance and will explain the corrective measures necessary for resolution.

Areas of Concern – Areas of Concern are Workforce Development notations that may or may not be compliance-based, but may impede effectiveness and efficiency of providing services to individual and business customers. Concerns are suggestions to management and do not generally require a response unless specifically indicated. Resolved Findings and accompanying corrective actions may be included in this category. Areas of Concern, although resolved, may rise to a level of severity that is subject to follow-up during subsequent review. Regulatory Compliance monitors may offer suggestions or guidance to assist in making improvements, or may make a referral for further technical assistance.

Promising Practices: Promising Practices are new, unique, significant, or innovative initiatives and results, and/or notable or exemplary practices.

III. ANALYSIS

Information within this section summarizes OWD’s overall evaluation of the Board relative to the Review Areas described herein.

The Compliance Team examined a system-generated, randomly selected file sample of 5-10 files per program each quarter. Desktop reviews and onsite visits evaluate overall compliance with applicable laws, annual agreements, Scopes of Work (SOW), as well as regulations and policies.

The Program Year (PY) 2020 programmatic monitoring report (PMR) identified four (4) findings and five (5) areas of concern. Since issuing the previous report, the Board hired a new local compliance monitor; OWD recognizes improvement in some of the case management-related concerns over the year as a result. The local monitor maintained the requirement to complete 100% file monitoring throughout the 2021 program year. Although some improvements occurred, there remain key areas that require continued monitoring. The key areas include, but are not limited to, training justifications, eligibility, and employment plans. In addition, the Board has procured a new subrecipient as its WIOA service provider, which will require additional oversight to ensure compliance with federal regulations and state and local policies.

The Analysis determined that the Board must continue 100% WIOA file monitoring efforts. The Board is not required to submit monthly monitoring reports, as done previously, but must maintain all monitoring documentation, including attempts to resolve issues. OWD will request monitoring reports throughout the PY22 monitoring review period.

FINDINGS

Finding #1: WIOA Expenditures

(OWD Issuance 18-2021: WIOA Expenditure Policy)

(WIOA Annual Agreement)

(OWD Financial Manual)

(WIOA Sec. 129(a)(4)(A))

(TEGL 21-16)

(20 CFR 681.590)

The OWD Financial Manual requires that the local Board “*must obligate **not less than 80 percent (80%)** of the funds made available to them in each program year’s funding or they bear the risk of losing the funds through the reallocation process.*” As of the writing of this report, the Board has the following obligation rates for its PY21 WIOA programs:

- Youth: 64%
- Adult: 67%
- Dislocated Worker: 69%

The Board has not fully spent PY20 funding and currently has low expenditures for PY21 WIOA Youth, Adult and Dislocated Worker programs. As of the date of this report, the Board has the following expenditure rates for PY21 WIOA programs:

- Youth: 15.55%
- Adult: 41.10%
- Dislocated Worker: 20.54%

WIOA section 129(a)(4)(A) requires local areas expend 75 percent of their WIOA Youth program funding for out-of-school youth (OSY) purposes. Missouri was awarded a waiver from the U.S. Department of Labor to lower this expenditure requirement to 50 percent for OSY. Currently, the Board is not on track to meet the 50 percent OSY expenditure requirement, with a reported expenditure rate of 15 percent.

WIOA and 20 CFR 681.590(a) requires local areas utilize a minimum of 20 percent of their Youth program funding for work experiences. As of the date of this report, the Board reports work experience expenditures of only 6 percent and is not on track to meet the requirement.

The Regulatory Compliance Team reviewed other expenditure requirements in preparation for this PMR. The Board is currently meeting the OWD’s expenditure requirements for operational and administrative needs. The Regulatory Compliance Team did not identify additional concerns with additional Youth expenditure or enrollment limitations.

Corrective Action:

During the last on-site visit, the Board was in the process of requesting corrective action responses from both of its WIOA subrecipients to address low expenditures for the remainder of the program year. OWD requires a written corrective action plan from the Board outlining progress and additional measures it will take to ensure the Board will meet the above expenditure requirements; this plan must include a timeline with key deliverables. The written response is due **within 30 days of this report.**

Finding #2: Performance

(OWD Issuance 28-2017: Credential Attainment Policy)

(OWD Issuance 01-2021: Measurable Skills Gains Policy)

(TEGL 10-16, Change 1: Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III, and Title IV Core Programs)

WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of local areas in achieving positive outcomes for individuals served by the WIOA Adult, Dislocated Worker, and Youth programs. OWD calculates the indicators of performance using information entered into the statewide electronic case management system.

The Credential performance measure reflects the percentage of participants enrolled in an education or training program who attain a recognized postsecondary credential or secondary school diploma, or equivalent.

The Measurable Skill Gains (MSG) performance measure reflects the percentage of participants who are achieving documented academic, technical, occupational, or other forms of progress towards a credential or employment.

As of the date of this report, the Board is failing to meet the Youth Credential measure and the Dislocated Worker MSG measure. The Regulatory Compliance team noted both performance measures as a Finding in the PY20 PMR; however, at the end of the program year, the Board met the minimum required negotiated rates.

Corrective Action:

OWD requires a written corrective action plan from the Board outlining all measures it will take to ensure it meets performance measures for the program year **within 30 days of this report.**

Finding #3: Late Board Certification

(OWD Issuance 11-2021: Local Workforce Development Board Membership and Orientation Requirements, and Recertification Process.)

OWD Issuance 11-2021 states: *“Local WDBs must document that their membership requirements meet WIOA Section 107 membership criteria to the Office of Workforce Development (OWD) no later than close-of-business April 30, 2021, to avoid non-compliance*

with WIOA.”

Corrective Action: The Board submitted documentation to obtain recertification by the prescribed deadline. However, certification did not occur due to follow-up questions, missing documentation, and various changes to the board composition before the official recertification could take place until June 2022. The Board Director worked with the State monitor to get the local board in compliance in the meantime. No response is required.

Finding #4: Entrepreneurial Services

(20 CFR 680.300)

(20 CFR 680.320)

(Issuance 15-2021: Local and Regional Plan Modification Procedures)

Entrepreneurial training is designed to provide participants with the skills to start businesses of their own.

20 CFR 680.300 states that, “*Training services for eligible individuals are typically provided by training providers who receive payment for their services through an individual training account (ITA).*”

20 CFR 680.320 provides guidance that contracts may be used instead of an ITA, when a provided exception has been met. Exceptions applicable to this service can be found at 20 CFR 680.320(2) and 680.320(3), both of which are required to be described within the Local Plan under Section 42.

One participant received entrepreneurial services through a contract payment; however, the Board’s local plan did not describe the use for contracts to pay for training services.

Corrective Action: The Board must review 20 CFR 680.320 and bring its local plan into compliance on providing training services through mechanisms other than the ITA. The Board must submit its plan to OWD for approval, prior to getting Board approval, **within 30 days of this report.** Upon OWD approval, the Board will be required to move forward with submitting an official plan modification.

Finding #5: Employment Plans

(OWD Issuance 09-2020: Statewide Individual Employment Plan Development Policy)

OWD Issuance 09-2020 states that employment plans (EP) must contain a justification based on assessment information that includes identifying the skills a participant currently has and identifying the skills gap. Additionally, the EP must contain a long-term career goal justified by labor market information (LMI). Multiple Adult and Dislocated Worker EPs reviewed over this past year were not written to policy and failed to document the information noted above.

Corrective Action: EPs were identified as an Area of Concern on the PY20 PMR and continues to be an issue in PY21 across multiple programs, including the COVID and Missouri Works Together National Dislocated Worker grants. The Board must provide training to its

subrecipients and are encouraged to utilize OWD's recent Employment Plan training video available in the Learning Management System. The Board must provide training within **30 days of this report**. Supporting documentation, including an agenda and staff sign-in sheets to verify training completion, must be provided with response.

Finding #6: On-the-Job Training

(OWD Issuance 03-2020: Statewide On-the-Job Training Policy)

(OWD Issuance 23-2017: Statewide Incumbent Worker Training Policy)

On-the-Job Training (OJT) is a work-based learning training service that provides participants with the knowledge and skills-upgrade training necessary to enable full performance of a job. The OJT also provides a wage reimbursement to the employer to help offset the extraordinary costs of providing training and supervision to the under skilled worker.

The OJT Training Manual states, *“In determining the appropriate length of the Training Agreement, consider the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant’s EP. Base the participant’s length of training on the skills gap between the position and the OJT participant.”*

Both WIOA service providers established OJT agreements during the program year. The State monitor observed that the process to determine hours was not consistent amongst the two providers. One (1) OJT agreement established did not reduce the hours on the agreement based off the skills gap between the position and the OJT participant, as required by state policy. Agreements in question did not result in disallowed costs, as the participant quit early on, however, failing to adjust hours on the OJT agreement, as required by policy, could have resulted in disallowed costs.

OJT documents, including agreements, training plans, and invoices, were not completed accurately or completely.

Multiple work-based learning employer documents, for the OJT and Incumbent Worker Training programs, did not have their business entity information filled out correctly or did not gather all the required documentation to affirm participation in the e-verify program.

Corrective Action: The Board has been working diligently to increase the implementation of the various WIOA work-based learning programs in its operating area. To ensure these programs operate effectively and in line with all federal and state guidelines, the Board must provide training to its subrecipients’ staff regarding the OJT and Incumbent Worker Training programs. In addition, the Board must develop a written procedure for determining the number of hours for OJT agreements to ensure consistency across all program participants. The written procedure and documentation of training, including agenda and staff sign-in sheets, is required **within 30 days of this report**.

AREAS OF CONCERN

Area of Concern #1: Training Justification

(OWD Issuance 04-2020: WIOA Adult and Dislocated Worker Programs Eligibility and Documentation Technical Assistance Guidance)
(20 CFR 680.210)

WIOA participants who are to receive training level services must be determined eligible for such services before the training start date. OWD Issuance 04-2020, (Attachment 1) indicates that training eligibility requirements for training services must be met and documented. Multiple participant records reviewed under the Classroom Occupational Training and/or On-the-Job Training programs did not accurately document all of the required components of this eligibility, found at 20 CFR 680.210. Justification lacked case notes to support how individuals were determined in need of training service, were justified using state labor market information (LMI) instead of local LMI, or failed to document training justification entirely.

Corrective Action: The Board worked with its WIOA subrecipients to properly document training eligibility requirements for all recorded identified. Training justifications were noted as an Area of Concern on the PY20 programmatic monitoring report. The State monitor identified training justification issues during PY21 in quarters one and two, however, identified improvement in quarters three and four. As noted above, the Board hired a new local compliance monitor who began early in the program year; the identified improvement is attributed to the new hire. The Board must continue its 100% WIOA file monitoring. In doing so, the local monitor must ensure that the Board's subrecipients continue to document training eligibility correctly. The OWD will continue to monitor in the PY22 to confirm continued compliance. No response is required.

Concern #2: Referrals to WIOA

(OWD Issuance 08-2021: Statewide Enrollment and Exit Policy)

For Equal Opportunity (EO) monitoring purposes, each WIOA Title I recipient must record the race/ethnicity, sex, age, limited English proficiency, preferred language and where known, disability status, of every applicant, registrant, participant, and exiter.

In addition, effectively conducting an analysis on each record requires each level of service to be documented and resulted in the statewide case management system. This includes recording if a job seeker has been referred to a service and determined *eligible* or *ineligible* for WIOA Basic Career services. Guidance provided under Issuance 08-2021, Attachment 2, provides instructions on how to document whether an individual has been referred to and determined eligible for ineligible for WIOA services.

The Regulatory Compliance team pulled a report from the case management system and observed that staff resulted referrals in the case management system incorrectly by resulting them as *successful* or *unsuccessful*, or had simply not resulted referrals, which affects EO monitoring.

Corrective Action: OWD recognizes that the guidance related to this issuance is not easily understood statewide and has worked to increase awareness of this issuance throughout the program year. The Board worked with its WIOA subrecipients to address and correct the referrals. It is encouraged that the Board review Issuance 08-2021: Statewide Enrollment and Exit Policy with its subrecipient staff to ensure understanding moving into the new program year. No response is required.

Concern #3: Data Element Validation

(OWD Issuance 07-2020: Statewide Data Element Validation Policy)

(TEGL 23-19, Guidance for Validating Required Performance Data Submitted by Grant Recipients of U.S. Department of Labor (DOL) Workforce Programs)

Data validation is a series of internal controls or quality assurance techniques established to verify the accuracy, validity, and reliability of data. Per Issuance 07-2020, the purposes of validation procedures are to:

- *“Verify that the performance data reported by grant recipients to DOL are valid, accurate, reliable, and comparable across programs;*
- *Identify anomalies in the data and resolve issues that may cause inaccurate reporting;*
- *Outline source documentation required for common data elements; and*
- *Improve program performance accountability through the results of data validation efforts.”*

The Board did not follow policy while performing the Data Element Validation process. Staff did not review all of the elements associated with each sample record and did not mark each element as either a “pass” or a “fail”. Failures did not have corresponding comments describing why the element failed and, when applicable, the corrective action taken to correct the data. In addition, multiple data elements were “passed” using incorrect source documentation; however, allowable documentation was available in the file.

Corrective Action: The PY20 PMR noted Data Element Validation as an area of concern; however, as noted earlier, the Board hired a new local monitor at the start of PY21. The local monitor received various types of technical assistance from the State Monitor and through various training opportunities outside of the Regulatory Compliance team, which should aid in the improvement of the data validation process. In addition, the Board worked with staff to fix errors to prevent inaccurate reporting of data to the United States Department of Labor (USDOL). OWD will continue to monitor local data validation monitoring for improvement. No response is required.

Concern #4: Case Management

(Issuance 04-2018: Participant Activity Codes, Durations, and Definitions)

(Issuance 02-2021: Statewide Case Note Policy)

(TEGL 23-19, Guidance for Validating Required Performance Data Submitted by Grant Recipients of U.S. Department of Labor (DOL) Workforce Programs)

Federal data validation guidelines established under TEGE 23-19 mandates correct data entry and outlines the acceptable source documentation for each reportable element. At the start of the PY21 monitoring year, the State monitor observed multiple issues where local staff did not select the appropriate source document used to verify statuses and/or barriers noted within a participant's WIOA application, or the application contained contradictory data.

Issuance 02-2021 states, "*Case notes must be entered on the date of discussion with the participant or the date services are provided.*" Additionally, it states, "*Case notes have a variety of purposes, including, but not limited to: ...reminding the workforce system of information and ideas that have been discussed with the participant.*"

In quarters one (1) and two (2), the State monitor observed various services were posted to participant records but staff did not record a corresponding case note describing how the service or what service was actually provided.

Corrective Action: The Board worked with its WIOA subrecipients to address data entry and case noting errors. Case management issues were identified as concerns in PY20, however, specific issues noted in the prior year did not continue into PY21. Additionally, improvement was noted in quarters three (3) and four (4). The Board is required to continue its 100% WIOA file monitoring, which includes a review of general case management activities. OWD will continue to monitor for continued improvement and compliance. No response is required.

Concern #5: Youth Objective Assessments and Individual Service Strategies

(Issuance 13-2019: Statewide Workforce Innovation and Opportunity Act (WIOA) Youth Program Framework and Design Policy)

Issuance 13-2019 states, "*Every Objective Assessment (OA) must include an evaluation of the skills the youth possesses and what skills the youth needs to develop.*" Six (6) of the seven (7) Youth OAs reviewed had issues with documenting that Basic Skills, Supportive Service needs, and/or Developmental needs were assessed and failed to record the results of those assessments.

Issuance 13-2010 also states, "*The Individual Service Strategy (ISS) is a crucial and dynamic document that requires all goals, needs, and barriers identified on the OA be addressed.*" Two (2) of the five (5) Youth ISSs reviewed either did not address all the identified barriers or did not document the youth's career pathway. In addition, staff did not close the Youth ISSs following OWD policy.

Corrective Action:

The State monitor did see some improvement with documenting assessment results within the OA in quarters 3 and 4. The Board should review Issuance 13-2019 and the supporting FAQ with its subrecipient staff to ensure staff continue improvement on documenting all aspects of the OA. OWD will monitor for improvement in the next program year. No response is required.

Concern #6: Equal Opportunity and Nondiscrimination Notice

(OWD Issuance 16-2017: Equal Opportunity Complaints and WIOA Complaints & Grievances)

Issuance 16-2017 highlights that WIOA subrecipients are required to provide initial and continuing notification of Equal Opportunity (EO) and Complaint Grievance (CG) rights. The notifications must contain regulation-prescribed language, as shown in OWD's EO-15 form, and must include the contact information for the Local Workforce Development Board's EO Officer.

Multiple participant and employer files did not appear to notify participants or employers of "continued notification" of their EO/CG rights. In addition, EO-15 forms reviewed earlier in the year were not updated with the Board's new EO Officer's name and contact information.

Corrective Action: The State monitor informed the Board of the continued notification requirement in quarter two. The State monitor did not identify any additional issues in quarters three and four. The Regulatory Compliance team will continue to monitor these programs for future compliance. No response is required.

Concern #7: Show-Me Hero On-Job-Training

(OWD Issuance 03-2020: Statewide On-the-Job Training Policy)

The Show-Me Hero (SMH) program serves dislocated worker eligible veterans, military service members, or spouses, with the development of OJT opportunities. The Board received \$20,000 for PY21 to operate the SMH OJT program in the local area.

As of the date of the last review, there were no reported expenditures or SMH OJT enrollments for review.

Corrective Action:

OWD is developing policy for the SMH program, which will be separate from the current OJT policy. The new policy will incorporate additional flexibilities with regard to the SMH OJT program, which should affect the ability to expend funding. The Board has the opportunity to apply for new SMH funding for the next program year. If the Board plans to request SMH funding for PY22, the Board will be required to submit a written response as to its plan to operate SMH. This written response, or decision not to request SMH funding, must be provided **within 30 days of this report.**

Concern #8: Non-WIOA Program Management Issues

Wagner-Peyser (including Employer/Business Services), Re-Employment and Eligibility Assistance (RESEA), and Trade Adjustment Assistance (TAA)

(OWD Issuance 16-2021: Wagner-Peyser/Labor Exchange Policy)

(OWD Issuance 09-2020: Statewide Individual Employment Plan Development Policy)

(OWD Issuance 02-2021: Statewide Case Note Policy)

Multiple programs delivered by both OWD and the LWDB's subrecipients were reviewed. These programs include Wagner-Peyser, TAA, RESEA, and Employer/Business Services. Throughout the year, there were common case management and data-entry issues evident.

- WP initial case note did not meet all the requirements listed within Issuance 02-2021;
- Services were posted without a case note describing the activity;
- EPs for the RESEA program were not developed following requirements listed in Issuance 09-2020 (EPs did not have appropriate goals or objectives and/or the long-term employment goal was not justified with local LMI); and
- Employer profiles were not fully completed.

Corrective Action:

Issues were noted in both the first and second quarters; however, improvement occurred in the third quarter. Local leadership worked with staff to address discrepancies identified. The Regulatory Compliance team will continue to monitor these programs for future compliance. No response is required.

IV. QUARTERLY PERFORMANCE REVIEWS

In addition to the annual monitoring report, the region is receiving quarterly performance reviews. The most recent review was distributed to the Board in June, outlining top issues and any promising practices. After reviewing obligations and predictive outcomes, it appears the Board is not on track to meet the various WIOA expenditure requirements, as noted above. The performance reviews noted the Board had not obtained its board recertification for all three quarters, but certification is now complete.

V. PROMISING PRACTICES

The Board demonstrated a variety of promising practices throughout the year. Promising practices include exceeding its baseline WIOA enrollment goal, being actively involved with partners, being open and ready to collaborate, as well as promoting and encouraging the use of other programs and services, such as OJT, incumbent worker training, and entrepreneurial services.