



Mardy Leathers, DMgt, Director

Office of Workforce Development

June 8, 2021

The Honorable Zach Williams  
Presiding Commissioner  
Wright County Courthouse  
Post Office Box 98  
Hartville, Missouri 65667

Becky Brooks  
McLane Transport  
8498 U.S. 67  
Poplar Bluff, Missouri 63901

Dear Commissioner Williams and Ms. Brooks:

The Office of Workforce Development (OWD) Regulatory Compliance Team conducted a Monitoring Review of the South Central Local Workforce Development Area (LWDA) for review period July 1, 2020-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, five (5) Compliances Findings and five (5) Areas of Concern were identified. A response is required for the five (5) Compliance Findings within **30 days** of the date of this report. Should you have questions, please contact Rebecca Fletcher at (573) 751-2374 or my office at (573) 751-3349.

Sincerely,

Mardy Leathers, DMgt  
Director

c: Donna Parrott  
OWD Senior Staff

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## **COMPLIANCE MONITORING REPORT PROGRAM YEAR 2020**

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

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**Review Period: July 1, 2020-June 30, 2021**

**Grant/Programs Reviewed:**

PY20 WIOA Formula Programs: Adult, Dislocated Worker, Youth  
PY20 Wagner-Peyser Program  
PY20 Unemployment Insurance Programs: RESEA  
PY20 Trade Adjustment Assistance  
WIOA MWT (October 1, 2018 to September 30, 2021)  
WIOA COVID NDWG (April 1, 2020- Jun 30, 2022)

**Reviewed include 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:**

Ruth Whitis (WIOA, TAA, COVID NDWG, MWT)  
Heather Covington (Wagner-Peyser and RESEA)

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### **I. EXECUTIVE SUMMARY**

The Office of Workforce Development (OWD) Regulatory Compliance Team conducted a Monitoring Review of the South Central Local Workforce Development Area (LWDA) in fulfillment of monitoring requirements of the regulatory mandate established by 20 CFR (Code of Federal Regulations) Part 683.410 requiring the state’s monitoring system to provide annual monitoring reviews of the Local Workforce Development Areas. The purpose of the review was to evaluate the management and administration of the workforce programs under Board auspices, implemented by the Board subrecipient, 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 opinions expressed in this report are based on the 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's initial phase of examining program participant records was conducted via desktop monitoring using various State of Missouri databases, followed by a video conference call review. During the call, a conference was conducted with the LWDA 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.

The review resulted in five (5) Findings and five (5) Areas of Concern.

## **II. REPORT STRUCTURE**

**Compliance Findings** – Compliance 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 the WDB 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 LWDA relative to the Review Areas described herein.

A system-generated, randomly selected file sample of 10-15 files per program was examined by the Compliance Team each quarter. A desktop review and an onsite visit were utilized to evaluate overall compliance with applicable Scopes of Work (SOW), as well as regulations and policies.

The Analysis determined that the Board must continue their 100% WIOA file monitoring efforts and continue to submit monthly reports to OWD. These reports will continue throughout PY21 and are due on the 15<sup>th</sup> of each month.

## FINDINGS

### **Finding #1: Sub-State Monitoring**

(OWD Issuance 15-2020: Statewide Sub-state Monitoring Policy)

During the PY20 monitoring review process, the Board was required to submit monthly monitoring reports to address inadequate monitoring. It is the determination of the OWD Regulatory Compliance team that deficiencies in local monitoring still exist. Local monitoring failed to identify several compliance issues and the Board is not implementing effective corrective action to sub-recipients.

**Corrective Action:** The Board will remain on Substantial Violation status and must continue submitting monthly local monitoring reports. These reports must address eligibility on new enrollments as well as evidence that the record was monitored for continued compliance such as service outcomes, updated employment plan, performance measures, and outcome information. These reports will continue throughout PY21 and are due on the 15th of each month. The Board must address this corrective action requirement in an official response and set up training with OWD Compliance **within 30 days of this report.**

### **Finding #2: Performance**

(OWD Issuance 28-2017: Credential Attainment Policy)

(OWD Issuance 19-2017: Measurable Skills Gain 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 programs: Adult, Dislocated Worker, and Youth. OWD calculates the indicators of performance using information entered into the statewide electronic case management system. During the PY20 monitoring review, several records were identified that failed to comply with the above guidance, both a direct result of incorrectly recording credentials and measurable skills gain.

As of the writing of this report, the LWDA is not meeting the WIOA Youth credential rate performance measure and WIOA MSG performance measure for WIOA Dislocated Worker program.

**Corrective Action:** OWD is requiring a corrective action plan from the Board outlining all of the measures it will take to address these issues and submit supporting documentation of the delivery of this training **within 30 days of this report.**

### **Finding #3: Data Entry and Case Management Issues**

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

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

Federal Data Element Validation guidelines established under TEGL 23-19, mandate that Activity Codes must be posted on the date the service occurs or the date training commences. Additionally, OWD Issuance 04-2018 states that staff should only post Activity Codes when the participant is actually participating in the activity or service and a case note must correspond, describing the activity. Multiple records across all programs contained multiple issues with Activity Codes including: services not closed in a timely manner, services were system closed, incorrect begin/end dates posted and incorrect activity codes recorded. Additionally, several records contained incorrect data or were missing data in WIOA application, missing service providers and failure to mark participants hired in OJT job orders.

**Corrective Action:** The Board worked with staff to fix all data entry errors that could be addressed to prevent inaccurately reporting data to the United States Department of Labor (USDOL). The OWD Compliance Team has determined that 100% corrective action local monitoring required by the PY19 Report should continue as the number of data entry errors has not decreased. OWD understands that 100% monitoring of new enrollments does not always catch these errors. A new corrective action plan will be required.

Beginning with PY21, the South Central Board must perform 100% monitoring on all participants enrolled into a fundable activity and on participants who complete these activities, including, but not limited to, training, work experience, and special project participants. This monitoring must review for:

- Correct eligibility documentation;
- Proper enrollment;
- Training justification (as applicable);
- Correct service code entries; and
- Performance-related documentation (measurable skill gains and credentials).

OWD is requiring a corrective action plan from the Board outlining all of the measures it will take to address these issues **within 30 days of this report.**

#### **Finding #4: Case Notes**

(OWD Issuance 02-2017: Statewide Case Note Policy)

Case Notes provide a fact-based description of a participant's interaction with the workforce system. Accurate, adequate, and timely recording of Case Notes is critical to provide quality participant service, track funding costs, and assist in compliance monitoring. Case Notes should be entered on the date of discussion with the participant or the date services are provided. This real-time data entry allows for continuous and seamless service delivery. If time of day or caseload does not allow for creating a Case Note immediately, it should be completed the next business day, or as soon as possible. Multiple records reviewed across all programs were found to have missing, late, or inadequate case notes required by OWD Issuance 02-2017.

**Corrective Action:** OWD is requiring a corrective action plan from the Board outlining all of the measures it will take to address these issues, and submit supporting documentation of the delivery of this training **within 30 days of this report.**

**Finding #5: Not in Compliance with Local Plan**  
(Local Plan)

The Board's Local Plan, Section 58, indicates that the Board has an established Youth Standing Committee. The Local Plan states, "The South Central region's Youth Committee contains representation of AEL, local apprenticeship, Department of Social Services, judicial system, and private sector WDB members with interest in serving to make a difference in the youth of our region. The Youth Committee meets quarterly prior to the Board Meeting. Additional meetings may be scheduled should the need arise."

During the PY20 review, board minutes indicated that the Youth Standing Committee only met three times in the last year on, 7/22/20, 10/27/20 and 4/15/21.

**Corrective Action:** The Board must provide a written response describing the current activities of the Youth Standing Committee and how the Board plans to ensure compliance with its Local Plan moving forward. Response is to be submitted **within 30 days of this report.**

**AREAS OF CONCERN**

**Concern #1: WIOA Employment Plans**  
(OWD Issuance 09-2020: Statewide Individual Employment Plan Development Policy)

Multiple reviewed WIOA Adult/DW program files were found to be in violation of the policy, which states, "Modifications of an EP require the agreement of the Missouri Job Center staff and the participant. If employment or training goals change (due to new skills or aptitude discovered during training), the EP must be updated and amended." Furthermore, EP's should include any barriers identified that would hinder finding employment or participating in training. Several employment plans reviewed did not address and/or include the participant barriers.

**Corrective Action:** The Board worked with its WIOA sub-recipients to address Employment Plan development errors, update EP's with participants and closed completed goals/objectives as needed. The Regulatory Compliance team will continue to monitor to ensure progress is maintained. No response is required.

**Concern #2: Training Justification**  
(20 CFR 680.10)  
(OWD Issuance 04-2020: WIOA Adult and Dislocated Worker Programs Eligibility and Documentation Technical Assistance Guidance)

Throughout PY20, monitor observed multiple participants enrolled in COT and OJT did not have training justification adequately documented in the statewide electronic case management system. OWD Issuance 04-2020 and 20 CFR 680.210 provide guidance to highlight who may receive training services. The Issuance also states, "*Each of these training eligibility requirements for training services must be met and documented in detail. Staff must explain why the participant is unable to obtain/retain employment, why the participant is in need of*

*training...*”

Training justifications reviewed through quarterly monitoring lacked information to support how individuals were determined to be unsuccessful through career services (20 CFR 680.210(a)(1)) and were in need of training level services (20 CFR 680.210(a)(2)).

**Corrective Action:** The Board worked with its WIOA sub-recipients to address and correct training justifications throughout the year and have noticeably improved. The Regulatory Compliance team will continue to monitor to ensure progress is maintained. No response is required.

**Concern #3: Data Element Validation/Sub-State Monitoring**  
(OWD Issuance 07-2020: Statewide Data Element Validation Policy)

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 each sample pulled and mark each element as either a “pass” or a “fail”. Failures did not have corresponding comments describing why the element failed and the corrective action being taken to correct the data, if possible.

**Corrective Action:** The Board worked with staff to fix errors that could be addressed to prevent inaccurately reporting data to the United States Department of Labor (USDOL). Comments were added to the DEV worksheet to address issues that were not corrected. OWD is recommending staff review issuance 07-2020, Statewide Data Element Validation Policy and DEV training videos located in DHEWD Learning Management System (LMS). No response is required.

**Concern #4: Project Case Management and Data Entry**  
**Missouri Works Together Grant**  
(Project Scope of Work (SOW))

The Missouri Works Together (MoWorksTogether) grant is a collaborative effort to both: (1) provide temporary disaster-relief employment and career and training services to workers impacted by the opioid crisis; and (2) develop a stronger workforce-provider professions network able to better address individuals needing substance abuse and counseling services.

Line item #12 of the SOW states project participants will receive career and training services, as

well as temporary employment placement, as applicable, as outlined in the Missouri Works Together Grant Policy and Procedures manual. These services must be documented in the case management system at the time they were provided.

The Board failed to ensure timely case management services and case notes for the majority of the project participants, including late, missing and incomplete case notes. Services and/or Training codes not recorded and grant outcomes not completed. Board cited staff turnover as a major factor in the case management issues.

**Corrective Action:** The Board worked with staff to address the data entry and case noting errors. No response is required.

#### **IV. ADDITIONAL ANALYSIS**

##### **Concern #5: Non-WIOA Program Management Issues**

(OWD Issuance 10-2019: Wagner-Peyser/Labor Exchange Policy)

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

(OWD Issuance 02-2017: Statewide Case Note Policy)

Multiple programs that are delivered by both OWD and the LWDA'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.

- EPs for the RESEA program were not developed following requirements listed in OWD Issuance 09-2020 (LT Employment goals were not tied to a career pathway and justified by LMI);
- Resumes were expired or not posted at time of enrollment as required in OWD Issuance 10-2019;
- Employer profiles were not completed and employer services were posted without a case note describing the activity, as stated in OWD Issuance 02-2017

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

#### **V. REPORT CARD**

In addition to the annual monitoring report, the region is receiving quarterly report cards. The most recent report card was distributed to the Board on March 5, 2021 outlining the Board's top three issues and any promising practices. After reviewing obligations and predictive outcomes, it appears the Board will meet expenditures for PY19 for Youth, Adult & Dislocated Worker. However, expenditures for PY20 for Youth, AD & DW are low. The Board should continue to monitor these areas to ensure compliance and positive performance.



## **PROMISING PRACTICES**

For Q1 and Q2, the following promising practices were identified for the South Central Workforce Development Board:

- Cohort of Executive Directors for IWT/WBL have really been engaged in improving processes and business engagement.
- Improving communication between Local Monitor and OWD Compliance