



CWP Subrecipient Monitoring Procedures

Approved by the Finance and Audit Committee on April 9, 2017

CWP Subrecipient Monitoring Procedures and Tools

Table of Contents/Check List

CWP Subrecipient Monitoring Procedures

Pages 2 - 7

Check all that apply.

Desk Review Tool

Attachment 1

Prior to an on-site monitoring visit, the monitor conducts a “desk review” of available information regarding the subrecipient’s performance and compliance with the contract provisions. A review of this information helps to identify areas of compliance and/or non-compliance and areas of need of technical assistance.

Interview with Subrecipient Management

Attachment 2

The purpose of the interview is to determine compliance with the contract provisions and to discover opportunities to provide technical assistance to improve service delivery and compliance with contract requirements.

Interview with Subrecipient Direct Service Staff

Attachment 3

Monitor meets with the subrecipient staff that provide direct services to ask questions related to the provision of services described in the contract. If staff specialize in function, one person from each specialty is interviewed, if possible. Subrecipient may select the staff to be interviewed.

Interview with Program Participant

Attachment 4

Monitor meets with program participants to hear about the provision of services directly from the participants.

Interview with Participant of Subsidized Employment or Internship

Attachment 5

For contracts for services that include subsidized employment, the monitor interviews participants to hear about the work experience and provision of services. ***If the contracted services do not include work experience, internships or subsidized employment, this tool is not used.***

On-Site Program Observations

Attachment 6

While at the site of program services, the monitor observes and notes the delivery of services as defined in the contract scope of work.

Worksite Observations & Interview with Supervisor

Attachment 7

Only used when contracts for services include subsidized work placements and internships. Review includes an interview with the supervisor and observations of the worksite to confirm that the participant is safe and supervision is adequate. ***If the contracted services do not include work experience, internships or subsidized employment, this tool is not used.***

Program File Review

Monitor observes and notes findings from a review of a sample of subrecipient’s program participant files at the location where the files are kept. The monitor provides the list of sample cases to the subrecipient staff to pull on the day of the file review. Files are reviewed for compliance with applicable contract provisions which may include validation of program eligibility and priority of service determination and compliance with policy and procedures. The file review tool is a spreadsheet listing the sample participants and file elements to be monitored.

Summary of Observations and Finding and Exit Interview

Monitor summarizes his/her observations and findings from all the applicable components of the program monitoring onto the summary tool.

CWP Subrecipient Monitoring Procedures & Tool

A. Monitoring Objectives

Capital Workforce Partners (CWP) conducts periodic review of administrative, program and financial activities of contracted service providers, including desk reviews and on-site monitoring visits. The purpose of the monitoring process is to ensure compliance with the contract and applicable law, regulations and policy, maintain program integrity, improve the quality of services, recognize and share best practices, provide technical assistance as needed and fulfill CWP's oversight responsibilities in accordance with Section 683.410 of the Workforce Investment Opportunity Act (WIOA) and 2 CFR 200.331(d) requiring pass-through entities to monitor the activities of subrecipients to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward. Additionally, the results of subrecipient monitoring along with their overall compliance are considered during the procurement process when awarding and renewing subrecipient contracts.

B. Definitions

Contract: A legal instrument used to purchase property, goods and/or services needed to carry out a project or program under state and federal regulations.

Contract Provisions: Contract provisions set the rights and obligations of the contracting parties when a contract is awarded or entered into. These include 'general conditions' which are common to all types of contracts, as well as 'special conditions' which are peculiar to a specific contract (such as, contract change conditions, payment conditions).

Finding: A significant issue of non-compliance with the provisions of the contract that is identified during the monitoring. Findings include criteria or basis for determining that a problem exists or a condition or situation observed that causes a problem with compliance with the provisions of the contract and/or with policies, procedures and legal requirements.

Observation: A record of an instance of watching or noting an action or practice during the on-site visit or desk review that deviates from contract provisions, policy and/or procedure but does not rise to the level of a finding. It also includes noting an innovative or "best practice."

Subrecipient: A term used by federal agencies such as US DOL to refer to non-federal agencies who receive a subaward from a pass-through entity to carry out part of the Federal program. For example, CWP is a subrecipient of WIOA funds that are issued by the US Department of Labor to the State of Connecticut Department of Labor (the pass-through entity) that subsequently contracts with CWP through a subaward (contract). When CWP subsequently contracts with agencies to carry out part of a Federal program such as WIOA, these agencies are also defined as subrecipients and CWP the pass through agency.

Technical Assistance: Informal training and/or advice to subrecipient staff regarding contract provisions, policy, procedures and legal requirements provided by the monitor during the on-site visit, or a subsequent exit interview to address a specific need observed by the monitor.

C. Scope

Contract monitoring includes a review of the subrecipient's compliance with both program and financial contract requirements. This monitoring plan applies to the program service provisions of both CWP funded contracts. The financial, administrative, insurance and indemnification contract provision are part of the fiscal monitoring which is overseen by CWP's Finance Department.

D. Monitors

CWP program staff conduct reviews, provide technical assistance, consult with program managers about policy, and report findings on subrecipients' compliance with the service provisions of the contract. The Chief Administrative Officer ensures that financial, administrative and insurance and indemnification provisions of the contracts are monitored. The financial reviews may be conducted by an outside auditor secured by the Chief Administrative Officer.

E. Monitoring Process

Subrecipients are monitored annually. This monitoring process occurs only after a subrecipient has provided services under the contract provisions for at least three months.

The monitoring process starts with an annual review and update of the monitoring tools by CWP program staff based on the actual contract provisions covering the time period being monitored.

These tools are used throughout the contract monitoring process which consists of the following steps:

1. Formal written notification to the subrecipient of the monitoring;
2. Desk review by CWP staff;
3. On-site visit by CWP that includes:
 - a. Entrance interview with subrecipient management staff,
 - b. Interviews with subrecipient direct service staff & participants,
 - c. Observations,
 - d. File review,
 - e. Interview with worksite supervisors, if applicable, and
 - f. Provision of technical assistance, if necessary;
4. Draft summary of observations and findings;
5. Exit meeting with subrecipient management staff;
6. Issuance of the final formal monitoring report;
7. Corrective action plan submission by subrecipient; and
8. CWP follow-up on corrective action plan implementation.

1. Formal written notification

CWP sends the subrecipient a formal notice of the monitoring process that includes a description of the scope and purpose, the timeframe, the elements, instructions for completing and returning the Subrecipient Self-Assessment, and the name(s) of the CWP staff who will be conducting the review.

2. Desk Review

Prior to an on-site monitoring visit, the monitor conducts a "desk review" of available information regarding the subrecipient's performance and compliance with the contract provisions. A review of this information helps to identify areas of compliance and/or non-compliance and areas of need of technical assistance. The information reviewed includes but is

not limited to the subrecipient/contractor self-assessment tool, previous monitoring reports and corrective action plans, customer complaints, incident reports and worksite agreements (if applicable). The **Desk Review Tool**, Attachment 1 of these procedures, allows for the documentation of the desk review including contract specific information, applicable program policy as identified by the program manager, areas of concern, questions, findings and comments.

3. On-Site Monitoring

The purpose of the on-site monitoring is to determine compliance with the contract provisions and to discover opportunities to provide technical assistance to improve service delivery and compliance with contract requirements. Generally, on-site monitoring includes the following components.

a. Entrance Interview

Monitor meets with the subrecipient's management and supervisory staff to explain the purpose and the process of the on-site visit.

b. Interview with Management Staff

Monitor meets with subrecipient management staff to discuss related areas of concern identified on the Subrecipient Self-Assessment tool and ask the applicable questions from **Interview with Subrecipient Management Staff** monitoring tools (See Attachments 3).

c. Interview with Direct Service Staff

Monitor meets with subrecipient staff that provide direct services to ask questions related to the provision of services described in the contract. If staff specialize in one type of service such as case management, workshop presentation or business services, one person from each specialty should be interviewed if possible. The subrecipient is allowed to select the staff to be interviewed. The monitor uses the applicable **Interview with Subrecipient Direct Service Staff** tools found in Attachments 4 to record the answers.

d. Interview with Participants

Monitor meets with program participants to hear about the provision of services directly from the participants. The monitor uses the applicable **Interview with Program Participant or Interview with Participant of Subsidized Employment or Internship** tools found in Attachments 5 and 6 to record the answers. If the contracted services do not include work experience, internships or subsidized employment, there is no Interview with the Participant of Subsidized Employment or Internship.

e. Program Observations

Monitor observes and notes the delivery of contracted services as defined in the scope of work, required signage, compliance with ADA requirements, and when observing a worksite, confirmation that the participant is safe and supervision is adequate. The **On-Site Program Observations** tool is Attachment 7.

f. Worksite Monitoring Tool (Supervisor interview and worksite observations)

For contracts for services that require subsidized work placements and internships through employer and/or worksite agreements, the review includes an interview with the employer to ensure compliance with applicable contract provisions. If the

contracted services do not include work experience, internships or subsidized employment, this tool is not used. See Attachments 8 for **Interview with Worksite Supervisor** tool.

g. File Reviews

Monitor observes and notes findings from a review of a sample of subrecipient's program participant files at the location where the files are kept. The monitor provides the list of sample cases to the subrecipient staff to pull for the file review. Files are reviewed for compliance with applicable contract provisions which may include validation of program eligibility and priority of service determination and compliance with policy and procedures. The files may be either on or off-site. Observations and findings from a review of the files are recorded on the **Program File Review** tool which is a spreadsheet created with ETO and/or CTHires data on the list of sample participants and column headers with applicable contract provisions to be monitored.

1) File Sample Selection Process:

The monitor selects a random sample of participants from a list of program participants that have received services during current contract year. The sample size will depend on the provider's caseload size and the level of risk. A general guide is for providers with less than 50 participants since the beginning of the current contract period, to select a 30% sample. For providers with 51 to 250 participants, select a 20% sample. For providers with more than 250 participants, a sample of 50 participants should be sufficient. The percentage of the total caseload selected for review may be adjusted with the level of risk or other factors (e.g., a new subrecipient or a subrecipient with multiple programs may warrant a higher percentage to review whereas a known, subrecipient who has had previously excellent monitoring findings may warrant a lower percentage review). The type of service, and level of responsibility for eligibility determination should also be considered when determining risk.

2) Failed File Review - Procedures for Subrecipients of Youth Programs:

A Youth Program subrecipient fails a file review when 5% or more of the reviewed files fail to meet the eligibility criteria defined in the contract terms or if 10% or more of the reviewed files fail to contain adequate documentation to verify eligibility. A failed file review requires immediate action by the subrecipient to develop a corrective action plan to review the files of all the participants served during the contract period and rectify eligibility and documentation errors. The monitor will provide the subrecipient with a deadline for submission of the corrective action plan for approval. After the approved corrective action plan is completed, the monitors will conduct another file review applying the same process described in section g.1 above.

F. Communicating Monitoring Results

1. Summary of Observations and Findings and Exit Meeting

Monitor summarizes his/her observations and findings from all the components of the program monitoring. Following the completion of the summary of observations and findings, CWP monitor meets with the subrecipient management staff to present the summary of findings and observations, allow the subrecipient to respond and ask questions during the meeting and provide technical assistance regarding the findings and observations.

2. Formal Monitoring Report

At the completion of the monitoring, a formal written monitoring report is issued to the subrecipient. The monitoring report summarizes the monitor’s findings and includes recommendations for corrective action, if warranted, and identifying best practices, if observed, for CWP management to approve and issue. The formal monitoring report is issued to the subrecipient within thirty (30) days of the Exit Meeting. The monitoring report includes instructions for disputing any findings and for submitting a corrective action plan in response to the monitoring report. In the event that there are no findings, the formal monitoring letter is issued with a statement of that fact.

3. If Subrecipient Disputes a Finding

If the subrecipient management staff dispute any of the findings, they have five (5) business days from receipt of the monitoring report to provide further explanation or additional evidence.

4. Corrective Action Plan and Follow-up

Within thirty (30) days of the formal monitoring report issuance, the subrecipient develops and submits to CWP a corrective action plan addressing the monitoring report findings. Within ten (10) business days of receiving the corrective action plan, CWP program staff evaluate the efficacy of the plan, request additional information, if necessary, and issue a response.

- a. If the proposed corrective action plan will resolve the findings, the CWP approves the corrective action plan and follows-up with the subrecipient to ensure the findings are resolved according to the plan timeline.
- b. If the proposed corrective action plan fails to resolve all the findings to CWP’s satisfaction, CWP will issue a second notice identifying the deficiencies and recommending corrective action. The subrecipient will be given ten (10) business days to resubmit the corrective action plan. Once the corrective action plan is approved, CWP will follow up with the subrecipient to ensure the findings were resolved according to the plan timeline. This process will continue until the subrecipient resolves the finding to CWP’s satisfaction.
- c. If subrecipient fails to submit the initial corrective action plan by the due date, CWP will promptly issue a second notice requesting a corrective action plan to address the monitoring findings. The notice will provide for an additional ten (10) days to submit the corrective action plan and the consequences for failing to comply.

G. Remedies for Non-compliance

Depending on the nature of the findings, the remedies for failure to address monitoring findings to CWP’s satisfaction may include temporarily withholding of cash payments pending correction; disallowing all or part of the cost of the activity or action not in compliance; wholly or partly suspending or terminating the subaward; or taking other remedies that may be legally available.

H. Monitoring Process Timeframe

The following monitoring process timeframes are applied when monitoring subrecipients.

Action	Timeframe
Send subrecipient letter scheduling monitoring visit	Send letter two (2) weeks prior to monitoring visit.
Desk review	Within the two (2) week period prior to the monitoring visit.

On-site visit: entrance interview, staff, participant and worksite interviews, observations, file review, and summary of observations and findings	The number of days will vary depending on contract provisions and services provided
Exit Interview	Immediately following the completion of the monitoring summary by monitors
Formal monitoring report issued by CWP to subrecipient	No later than thirty (30) calendar days following the exit interview
Subrecipient's corrective action plan submission to CWP for approval	No later than thirty (30) calendar days following issuance date of monitoring report
CWP staff evaluates corrective action plan, requests additional information, if necessary, and issues response.	No later than ten (10) business days following the receipt of the corrective action plan
If corrective action plan is sufficient, CWP issues an approval notice to the subrecipient. CWP staff will follow-up to ensure findings are resolved according to the plan timeline.	Follow-up occurs according to timeline in the approved corrective action plan
If subrecipient fails to submit a corrective action plan or the corrective action plan is insufficient to resolve findings to CWP's satisfaction, CWP issues a second notice requesting a corrective action plan to resolve the monitoring findings.	CWP issues the second notice immediately. Subrecipient has ten (10) business days to respond.
If corrective action plan is sufficient, CWP issues an approval notice to the subrecipient. CWP staff will follow-up to ensure findings are resolved according to the plan timeline.	Follow-up occurs according to timeline in the approved corrective action plan

The various subrecipients are monitored individually on an ongoing basis throughout the year in addition to the above schedule including but not limited to review of financial and programmatic report submissions, financial and single audit review, and other ongoing measures.