



Administrative Policies

Compliance Monitoring Policy

POLICY #:	<i>ADM-3010, Rev. 3</i>
EFFECTIVE:	<i>November 4, 2024</i>
SUPERSEDES:	<i>Monitoring & Compliance Oversight Policy, Rev. 2, effective September 6, 2022</i>

PURPOSE:

This policy describes WorkForce Central’s compliance monitoring and oversight activities of its publicly funded grants.

The purpose of the policy revision is to:

- Simplify the title of the policy.
- Broaden the scope of the policy beyond federally funded grants to all government funded grants awarded to WorkForce Central.
- Increase the single audit threshold to \$1,000,000 per updated Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards, effective October 1, 2024

BACKGROUND:

WorkForce Central maintains the highest level of integrity of the public resources it is entrusted and does so by implementing rigorous compliance monitoring of its federal, state, and local grants and contracts to ensure resources are used for authorized purposes and are protected from waste, fraud, or abuse.

WorkForce Central’s compliance monitoring activities ensure:

- Expenditures are made against proper cost categories and within cost limitations set by the funder.
- Compliance with federal, state, local and other applicable laws and regulations.
- Compliance with Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Compliance with nondiscrimination, disability, and equal opportunity regulations.
- Internal and external programs, subrecipients, and contractors achieve intended results.



- Reliable and timely information is captured and reported as required per the funder.

WorkForce Central is committed to fostering a continuous improvement culture through transparency and collaboration that supports the success and accountability of our publicly entrusted initiatives.

POLICY:

WorkForce Central conducts most of its programmatic, fiscal, and administrative compliance monitoring on an ongoing basis throughout the program year, however, some activities may occur annually depending on funding requirements. Monitoring may include periodic onsite visits and monthly virtual and desktop reviews to help identify potential weaknesses before such weaknesses result in substandard performance or questioned or disallowed costs.

WorkForce Central's holistic approach to compliance monitoring includes but is not limited to:

- Communicating applicable budget, performance, reporting, and monitoring requirements to subrecipients and contractors at the beginning of, and during the life of a grant or contract.
- Completing a risk assessment for federally funded subrecipients to determine appropriate frequency and types of monitoring activities. The risk assessment includes but is not limited to a review of the subrecipient's prior experience with the same or similar subawards, results of previous monitoring and audits, the subrecipient's staff turnover rate or new staff in management and leadership positions responsible for the grant, the organization's financial stability, and legal issues.
- Reviewing subrecipient and contractor invoices throughout the life of the grant to ensure expenditures are reasonable, allowable, and allocable; appropriate supporting documentation is submitted; expenditures don't exceed approved amounts, and expenditures were charged to the correct programs.
- Reviewing applicable management information systems (MIS) on a minimum monthly basis, and more frequently if needed, to ensure participant eligibility and demographics, program services, performance measures, and required documentation are recorded according to relevant regulatory, grant, or policy requirements.
- Reviewing subrecipient and contractor performance on a regular basis to assess the provider's ability to effectively meet contractual obligations. Frequency of performance reviews are subject to change due to results of risk assessments, funder requirements, monitoring outcomes, technical assistance needs, or other reasons as they arise.
- Addressing issues as they are identified in real time and providing technical assistance or corrective actions as appropriate and following through on corrective actions until resolution.

- Maintaining constant and open communication and collaborative relationships through daily or weekly communications and regularly scheduled meetings with subrecipients and contractors throughout the life of a grant. Frequency of communications and meetings is subject to change based on outcomes of monitoring, technical assistance needs, funder requirements, or other reasons.
- Ensuring federally funded subrecipients who expend \$1,000,000 or more in federal awards during the entity's fiscal year (for awards granted on or after October 1, 2024) has a single or program-specific audit conducted for that year in accordance with 2 CFR 200, Subpart F. Contractors and for-profit subrecipients are not subject to the single audit requirement. Agencies who received federal grants prior to October 1, 2024 must continue to abide by the \$750,000 single audit requirement.
- Reviewing audit reports or financial records when audit reports are not applicable. When appropriate, issue management decisions for audit findings and ensure audit findings specific to the federal subaward are resolved.
- Issuance of an annual compliance monitoring report that includes a summary of WorkForce Central's monitoring of the grant awardee throughout the program year. The monitoring report will include a review of inventory logs (when applicable), audit reports/financial statements, MIS records, internal controls, cash and financial management, cost and personnel allocations, contract performance, outcomes of Washington State Employment Security Department (ESD) or other funder's monitoring of WorkForce Central that is applicable to the grant awardee, the status of issues identified throughout the year, and promising practices.

CORRECTIVE ACTION PLANS

WorkForce Central may request a corrective action plan resulting from a variety of actions including but not limited to auditing, monitoring, contract management oversight, substandard performance, budgeting concerns, or other issues that arise during the life of the grant. Corrective action plans are necessary to ensure procedures are in place to make applicable corrections to the system in a timely manner. Timely correction of issues is imperative to avoid disallowed expenditure of grant resources, to ensure appropriate delivery of services to eligible customers, to ensure accurate data reporting, and to assist with achieving contractual performance and expenditure targets.

Corrective action plans are required when quarterly performance deviates by 15% from either the contract plan or funder standards. Any contract still underperforming by 15% or more for two (2) consecutive quarters may be subject to contract renegotiation or revision. Renegotiation would focus on WorkForce Central receiving the performance originally contracted for and/or reducing non-participant costs to re-establish ratios.



Failure to provide a corrective action plan, or failure to timely resolve issues identified in the corrective action plan, or continued performance that does not meet the contract plan, or WorkForce Central or the funder's standards may result in a reduction in the subrecipient or contractor's funding or other contract modifications, or suspension or termination of the contract, or other remedies at the discretion of WorkForce Central.

Corrective action plans are subject to public disclosure under the Public Records Act at [RCW 42.56.070](#).

ACCESS TO RECORDS

WorkForce Central will make documents used in its compliance monitoring activities available to authorized representatives including when applicable, the City of Tacoma, Pierce County, the State of Washington Employment Security Department (ESD), Washington State Auditor's Office, other governmental branches of Washington State, Department of Labor, and other authorized representatives.

WorkForce Central subrecipients and contractors must permit WorkForce Central, Washington State ESD (and other branches of Washington State government), State Auditor's Office, Department of Labor, and other authorized representatives access to records, financial statements, facilities, and participants (when applicable) for monitoring and auditing purposes.

REFERENCES:

- Public Law 113-128, Section 184
- 2 CFR 200
- 20 CFR 683.200
- 20 CFR 683.220; .400; .410; .420; .430; .440
- ESD Policy 5414 (current and future revisions)
- DOL Core Monitoring Guide

WorkForce Central is an equal opportunity employer/program. Auxiliary aids and services are available upon request for individuals with disabilities. Washington Relay Service – 711.