

SOUTH CENTRAL WORKFORCE DEVELOPMENT BOARD (SCWDB)



POLICY: SUBRECIPIENT MONITORING POLICY

EFFECTIVE DATE: MARCH 12, 2026

POLICY NUMBER: 2026-03
(Supersedes Policy 2018-21)

I. PURPOSE

The purpose of this policy is to establish procedures for monitoring subrecipients receiving Workforce Innovation and Opportunity Act (WIOA) federal funds administered by the South Central Workforce Development Board (SCWDB). Monitoring ensures that all programs, activities, and expenditures are conducted in compliance with applicable federal, state, and local laws, regulations, policies, and contractual requirements.

The monitoring process is intended to:

- Ensure compliance with WIOA statutory and regulatory requirements.
- Verify proper stewardship and allowable use of federal funds.
- Evaluate program performance and service delivery.
- Ensure accurate reporting of participant data and outcomes.
- Identify areas for improvement and provide technical assistance.
- Detect and prevent fraud, waste, abuse, or mismanagement of funds.
- Support continuous quality improvement of workforce services within the SCWDB region.

Monitoring activities will be conducted in accordance with applicable federal and state requirements and will include both ongoing monitoring activities and at least one annual formal monitoring review.

II. AUTHORITY

This policy is established pursuant to the following authorities:

Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128, WIOA Section 184 – Fiscal Controls and Monitoring, WIOA Section 116 – Performance Accountability, WIOA Section 188 – Nondiscrimination, 20 CFR Part 683 – Administrative Provisions, 2 CFR Part 200 – Uniform Administrative Requirements, Kentucky Office of Employment and Training WIOA policies, SCWDB local policies and procedures

III. MONITORING RESPONSIBILITIES

The SCWDB is responsible for oversight and monitoring of all WIOA-funded activities within the South Central workforce development area.

Monitoring responsibilities include:

- Reviewing programmatic and fiscal activities of subrecipients
- Evaluating compliance with federal and state regulations
- Monitoring participant eligibility and documentation

- Ensuring internal control systems are functioning effectively
- Reviewing financial management systems and allowable costs
- Ensuring nondiscrimination and equal opportunity compliance

The SCWDB Quality Control Coordinator is responsible for conducting routine monitoring and quality assurance activities throughout the program year.

IV. ONGOING QUALITY ASSURANCE MONITORING

The SCWDB maintains a comprehensive year-round monitoring system designed to ensure continuous oversight and compliance. As part of this system, the Quality Control Coordinator conducts regular weekly audits and reviews of WIOA participant records and program activities.

These ongoing reviews include:

- Participant eligibility verification
- Review of service program documentation
- Compliance with WIOA program requirements
- Verification of data accuracy in the management information system
- Review of program outcomes and service delivery
- Compliance with financial documentation requirements
- Monitoring of case management activities
- Review of employer-based training activities including Work Experience (WEX) and On-the-Job Training (OJT)

A. Case File Reviews

Each participant case file is reviewed multiple times throughout the lifecycle of services to include: an Enrollment review, an Exit/follow-up review, and a Final review. These reviews utilize detailed compliance checklists and scoring metrics that have been created to assess program compliance and performance outcomes. Results of these reviews are documented and shared with the WIOA Direct Service Provider to address deficiencies and promote continuous program improvement. This ongoing monitoring process serves as the primary mechanism for ensuring compliance with WIOA program requirements. The monitoring process evaluates compliance with:

- Federal WIOA statutes and regulations
- Uniform Administrative Requirements
- Kentucky Office of Employment and Training policies
- SCWDB local policies
- Contractual agreements between SCWDB and the subrecipient

B. Technical Assistance

SCWDB staff will provide technical assistance to subrecipients to support compliance with WIOA requirements and improve program performance. Technical assistance may include: staff training, written guidance, program consultation and corrective action support.

V. ANNUAL SUBRECIPIENT MONITORING REVIEW

In addition to ongoing monitoring, the SCWDB in collaboration with its Fiscal Agent conduct a formal Annual Monitoring review of subrecipients. The purpose of the annual review is to evaluate overall program compliance, fiscal integrity, and program performance, and to verify that any issues identified through ongoing monitoring activities have been appropriately resolved. The annual monitoring review includes the following components:

A. Monitoring Notification and Preparation

Subrecipients will be notified of the monitoring review and provided with a Monitoring Guide outlining the monitoring process and compliance areas subject to review.

B. Monitoring Scope

The monitoring review may include, but is not limited to, evaluation of the following areas:

- Contract and grant compliance
- Participant eligibility documentation
- Case management and service delivery
- Data entry accuracy and reporting
- Performance outcomes
- Financial management and cost allowability
- Internal control systems
- Complaint and grievance procedures
- Equal opportunity and accessibility requirements
- Work-based training activities
- Customer satisfaction and service quality
- Safeguarding of Personally Identifiable Information (PII)
- Compliance with local policies and procedures

C. Participant File Review

As part of the annual monitoring process, the SCWDB will conduct a targeted review of participant records. The annual review will include examination of: Fifteen (15) active participant files and Fifteen (15) exited or follow-up participant files. All case files reviewed during annual monitoring will be reviewed electronically. No physical files will be transported or removed from the subrecipient location. The specific participant files selected for review will not be disclosed in advance to ensure the integrity of the monitoring process. The annual review will primarily focus on identifying outstanding compliance issues that were not resolved through ongoing monitoring activities conducted during the program year.

D. Monitoring Meetings (Optional)

The annual monitoring process may include a pre-review and/or post-review virtual monitoring briefing meeting involving SCWDB staff and subrecipient leadership. The purpose of the meetings is to review the monitoring process and discuss monitoring findings or corrective actions if necessary.

E. Interviews

As part of the monitoring review, SCWDB staff may conduct interviews with program participants, subrecipient staff, Work Experience (WEX) employers and/or On-the-Job Training (OJT) employers

These interviews may be conducted to verify program services and ensure compliance with WIOA requirements.

VI. MONITORING REPORTS

At the conclusion of each monitoring review, SCWDB monitoring staff will prepare a written monitoring report. Monitoring reports will be distributed to the subrecipient and SCWDB leadership.

The report will include, at a minimum:

- Name of subrecipient reviewed
- Dates of monitoring review
- Scope and methodology of the review
- Summary of findings
- Areas of compliance
- Areas requiring corrective action
- Observations or recommendations for program improvement

VII. CORRECTIVE ACTION

If monitoring findings identify noncompliance with federal, state, or local requirements, the subrecipient will be required to submit a Response. The Response must include:

- Description of the issue identified
- Actions to correct the deficiency
- Responsible staff member
- Timeline for any corrective action completion

SCWDB staff will review corrective actions and verify that deficiencies have been resolved.

VIII. SANCTIONS AND REMEDIES

If a subrecipient fails to resolve identified deficiencies or fails to comply with WIOA requirements, the SCWDB may impose sanctions including:

- Requiring additional monitoring or technical assistance
- Withholding reimbursements
- Recapture of disallowed costs
- Reduction of contract funding
- Suspension or termination of the subrecipient agreement
- Other corrective measures or actions deemed necessary by the SCWDB

IX. RECORD RETENTION

Records for all funding sources shall be retained in accordance with:

- 2 CFR §200.334–337
- 20 CFR §683.200(d)
- State retention requirements
- SCWDB Record Retention Policy 2026-02

Where multiple retention requirements apply, the longest applicable retention period shall govern.

X. REFERENCES

Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128, 2 CFR Part 200 – Uniform Administrative Requirements, 20 CFR Part 683 – Administrative Provisions, 29 CFR Part 38 – WIOA Nondiscrimination and Equal Opportunity Provisions, TEGL 19-16 – WIOA, TEGL 5-18 – WIOA Eligibility Guidance, TEGL 23-19 – Monitoring Guidance, Kentucky Office of Employment and Training, WIOA Policy and Procedure Manual

XI. EFFECTIVE DATE

This policy becomes effective upon approval by the SCWDB Board of Directors and Governance Committee.

Approved by SCWDB Board: *Trava J. Shirley* Date: 3-12-2026

Approved by Governance Committee: *josh anderson* Date: 3-10-2026