

# **Eligible Training Provider List (ETPL) Local Workforce Development Board (LWDB) Monitoring Procedures**

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The Quality Assurance and Integrity Administration (QAIA) will monitor the Local Workforce Development Board (LWDB) for the Eligible Training Provider List (ETPL) compliance every two (2) years to ensure the LWDB is monitoring a minimum of fifteen percent (15%) of the training providers' programs each year between July (1) and June (30). Validating the LWDB monitored the training providers and programs annually, verifying compliance with policies, reporting requirements, and ensuring data accuracy in the AJC system with a focus on the Workforce Innovation and Opportunity Act (WIOA) Title I-B regulations.

## **1) Scheduling the Desk Audit**

QAIA will monitor the Local Workforce Development Boards (LWDB's) for ETPL compliance at a minimum of every two (2) years, during odd numbered years. Monitoring will occur bi-annually between July (1) and June (30) validating compliance for the prior two program (2) years.

1. The LWDB is required to submit the supporting documentation for the required fifteen percent (15%) of their approved training provider programs requested for the specified program year.
2. The QAIA auditor will send an email notification of the intended monitoring month to the LWDB a minimum of thirty (30) calendar days prior to a desk audit.
3. The notification will also include but not limited to a request for the LWDB's annual monitoring schedule, local monitoring policy, procedures, and copies of the LWDB's completed:
  - a. Detailed monitoring reports
  - b. Completed monitoring tools and/or,
  - c. DES ETPL LWDB Training Program Monitoring Tool (WIO-1061B)
  - d. WIOA Training Program Credential Checklist (WIOA-1031A)
4. The LWDB will have thirty (30) calendar days to provide the requested documents.
5. The QAIA auditor will send a second notification to the LWDB at least ten (10) business days prior to the intended monitoring date confirming the scheduled desk audit and requesting any additional or missing supporting documents.
  - a. Notifications must be sent to the LWDB Director, copying the following:
    - i. cc: QAIA Compliance Manager  
QAIA Audit Manager  
QAIA Audit Administrator  
State ETPL Manager  
Local ETPL Coordinator

## **2) Preparing for The Review**

### **Preliminary Review**

Prior to the monitoring schedule the Compliance Manager will pull the list of approved ETPL training provider programs report from Tableau to identify the required minimum fifteen (15%) percent of ETPL training provider programs that must be monitored by the LWDB annually in the prior two (2) program years between (July 1) and (June 30) of each year.

1. The Tableau report in conjunction with the LWDB's completed monitoring reports will be used to determine if the LWDB monitored the required minimum fifteen (15%) of training provider programs required annually.
2. Prior to the desk audit the QAIA auditor will review the supporting documentation submitted by the LWDB before sending the second notification. The auditor will include a request for any additional or missing supporting documents if applicable in the notification.

### **3) Desk Audit Process**

The QAIA auditor will conduct a desk audit validating the LWDB's annual training program monitoring. QAIA will validate the LWDB monitored training programs for compliance with state & local ETPL policy, ETPL reporting requirements, accuracy of information in the program description in the AJC System, and Equal Opportunity requirements as part of the ETPL monitoring.

In addition, QAIA will validate the following:

- LWDB monitored a minimum of fifteen percent (15%) of the training providers' programs.
- LWDB provided their local ETPL monitoring policy & procedures.
- LWDB provided detailed monitoring reports for each training program monitored.
- LWDB provided their completed ETPL monitoring tool, and/or
- LWDB's completed monitoring tool for each provider or the WIOA Training Program Monitoring Tool (WIO-1061B), and
- WIOA Training Program Credential Checklist (WIOA-1031A)

The LWDB may develop and use their own monitoring tools and/or use the DES ETPL Training Program Monitoring Tool (WIO-1061B). The LWDB procedures should identify the approved monitoring tool(s) used by the board.

#### 4) ETPL LWDB Program Monitoring Report

Upon completing the scheduled monitoring review, the QAIA auditor will draft a monitoring report within five (5) business days and send it to the Compliance Manager.

1. The Compliance Manager has ten (10) business days to review and approve the report. If approved, the report is returned to the auditor to issue the monitoring report to the LWDB's Director, copying the following:

- a. cc: QAIA Compliance Manager  
QAIA Audit Manager  
QAIA Audit Administrator  
State ETPL Manager  
Local ETPL Coordinator

2. The LWDB is provided ten (10) business days from the date of issuance of the monitoring report to respond and if applicable submit documents to address discrepancies, missing information or missing documents.

The monitoring report may include the following:

- **Findings** – Finding will identify the specific areas of concern, policy or procedural requirements and require corrective action.
- **Observations** – Observations are provided as a courtesy and do not carry the force of findings. Observations are items of note found during the monitoring review that should be reviewed and acted upon to ensure they do not further escalate or in any other regard become more serious as to result in a later finding. These items are not viewed as an error, but a means to improve performance going forward. No response is required/should be submitted for observations.

#### 5) How to Respond to the Monitoring Report

The LWDB will be required to respond to each identified finding noted in the monitoring report and provide a written response. The LWDB may either agree or disagree with a finding.

1. If the LWDB agrees to the finding, the LWDB must provide a written resolution, the missing documentation (if applicable) and correct the finding.
  - 1.1. If the finding cannot be corrected, the LWDB will provide an explanation in their written response.
  - 1.2. If the LWDB disagrees with the finding, the LWDB must provide a written respond identifying the disputed finding and the reason the

finding should not be counted as incorrect; including a policy or procedural reference to support their reasoning.

- 1.3. The LWDB will return the completed monitoring report to QAIA within ten (10) business days.
2. QAIA will review the LWDB's response within ten (10) business days.
  - 2.1. Validate the corrected finding(s) and close out each finding noted on the monitoring report.
  - 2.2. If the LWDB agrees to a finding that has not been corrected, QAIA will send a 2nd notification letter. Requesting the finding be corrected within five (5) business days.
  - 2.3. If the LWDB disagrees with a finding on the monitoring report, QAIA will follow the dispute resolution process in Section (7) of the monitoring procedures outlined below.
  - 2.4. QAIA will issue a closure letter once all findings have been addressed or corrected.

## **6) Non-Compliance**

If the LWDB does not respond to a request or does not correct noted finding(s) and/or provide documentation with the specified time frame. QAIA will issue a 2nd notification requesting a response within ten (10) business days.

- If corrections are not made or documentation is not provided the LWDB will be issued a closure letter for failure to respond to the monitoring report or a request. The LWDB's monitoring review will be closed and noted non-compliant for the identified program year.
- QAIA will forward the letter of non-compliance to the Finance & Business Operations Administration (FBOA) to determine if further action is required.

## **7) Dispute Process**

The Quality Assurance Integrity Administration (QAIA) Auditor and Compliance Manager will review the LWDB's written response to the disputed finding(s). QAIA will provide a response to address the disputed finding(s) as follows:

1. The auditor must provide a written response within ten (10) business days to uphold or overturn the disputed finding in the monitoring report.

- a. If the auditor notes an error was made in citing the disputed finding, the auditor must overturn (vacate) the finding in the written response.
  - b. The auditor must remove the finding from the monitoring report and update the accuracy rate. The updated accuracy rate will be noted in the final copy of the monitoring report sent with the closure letter.
  - c. If the auditor concludes the disputed finding was correctly cited, the auditor will uphold the finding in the monitoring report and submit it to the Compliance Manager for review.
  - d. The Compliance Manager must review and agree that there is merit to uphold the disputed finding.
  - e. The upheld finding(s) will be returned to the LWDB for a final response.
2. If the LWDB agrees with QAIA's decision to uphold the noted finding(s). The LWDB must provide a written resolution and provide the missing documentation (if applicable) and correct the finding(s).
  - a. If the finding cannot be corrected, the LWDB will provide an explanation in their written response to address the uncorrected finding.
  - b. The LWDB will provide a written response to the monitoring report within ten (10) business days.
  - c. Upon receipt QAIA will review the LWDB's response. QAIA will ensure finding(s) have been corrected and issue a closure letter.
3. If the LWDB still does not agree with QAIA's decision to uphold the finding(s), the finding(s) may be elevated to the Workforce Policy Unit through the [titlepolicy@azdes.gov](mailto:titlepolicy@azdes.gov) mailbox for review by the Workforce Policy Unit. The QAIA Auditor, Compliance Manager, Audit Administrator, Local ETPL Coordinator and State ETPL Manager must be copied on all disputes elevated to the Policy Unit.
4. The Workforce Policy Unit must provide a final decision to either uphold the QAIA Auditors decision or overturn the finding.
5. The Workforce Policy Unit must issue a final ruling within ten (10) business days to the LWDB's director, coping the following:

- a. cc: QAIA Compliance Manager  
QAIA Audit Manager  
QAIA Audit Administrator  
State ETPL Manager  
Local ETPL Coordinator

6. Upon receipt of the final ruling from the Workforce Policy Unit, QAIA and the LWDB will review the final ruling and take appropriate action as follows:

- a. Upheld finding(s) must be addressed by the LWDB within ten (10) business days from the final ruling. The LWDB must provide a written resolution and provide the missing documentation (if applicable) and correct the finding(s).
- b. The LWDB will submit their written response to the auditor within ten (10) business days.
- c. The QAIA auditor will validate the corrections and issue a closure letter within (5) business days from the LWDB's response.
- d. If the finding(s) are overturned, in part or in their entirety, an adjusted monitoring letter will be issued by the QAIA auditor and sent with the closure letter.
- e. If there are no upheld findings a closure letter will be sent within two (2) business days from the final ruling with the adjusted monitoring letter.

## **8) Records**

### **Monitoring Report Tracking**

The monitoring letters & reports (review notification letters, closure letters, monitoring tool & the LWDB's response) will be saved in the respective ETPL Google shared folders.

- 1. The assigned auditor will be responsible for tracking the status of the respective LWDB's responses.
- 2. The Compliance Manager will track the status of each review internally to ensure that the process is complete by the required deadlines. The status of all monitoring reviews will be tracked on the ETPL Monitoring Review Tracking Log.

## **File Format/Retention**

- All monitoring reviews materials will be kept in the respective ETPL Google shared folders.
- All records pertaining to the monitoring review are available in the QAIA ETPL Section for review by DOL, Audit Management Services, and the Auditor General's Office for federal oversight of the State's monitoring responsibilities for Arizona's ETPL's receiving WIOA Title I-B funds.
- All records shall be maintained for a period of three (3) years.

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