



# WIOA TITLE I-A GOVERNANCE LOCAL WORKFORCE DEVELOPMENT BOARD (LWDB) MONITORING GUIDE

QUALITY ASSURANCE AND  
INTEGRITY ADMINISTRATION (QAIA)

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# DEPARTMENT OF ECONOMIC SECURITY

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*Your Partner For A Stronger Arizona*

## Monitoring Guide

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### Introduction

The Division of Employment and Rehabilitation Services (DERS), Quality Assurance and Integrity Administration (QAIA), plays an integral role in the monitoring and oversight of the statewide and local Workforce Development System. By strengthening oversight of essential workforce investment services delivered under the Workforce Innovation and Opportunity Act (WIOA), the Department can ensure compliance with applicable laws, regulations, integrated (state and local) workforce plans, provider agreements, policies, and procedures. Monitoring identifies areas of strength and weakness in operations which leads to improved program operation, management capabilities, and overall performance improvement.

### Process and Methodology

The WIOA Title I-A Governance compliance and oversight monitoring will focus on the Local Workforce Development Boards (LWDB) roles and responsibilities as described in WIOA Law Section 107 and the Code of Federal Regulation Title 20 Chapter V Part 679, et seq. The purpose of the review is to ensure that acceptable standards for fiscal accountability, program administration,<sup>1</sup> procurement, and integrated service delivery are established and in practice.

The QAIA will monitor the required functions of each LWDB via a quarterly desktop monitoring process, which will lead to the identification of system strengths, weaknesses, and required corrective actions. At times, the WIOA Compliance auditor may need to schedule on-site interviews with the LWDB and Board staff, as needed. In addition, special on-site reviews may be conducted to investigate allegations of mismanagement or to clarify questionable findings that occurred during the review period.

The WIOA Title I-A Governance compliance and oversight includes, but is not limited to, the assessment of:

1. Compliance with the LWDB role and responsibilities as set out in 20 CFR 679.370, et seq.

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<sup>1</sup> Integrated delivery of Adult and Dislocated Worker services and Youth services funded by WIOA (Program administration) will be assessed via the annual Title I-B WIOA Programmatic monitoring that is conducted by the QAIA WIOA Title I-B Program audit staff.

2. Compliance with WIOA sec. 188, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990<sup>2</sup>.
3. Compliance with the applicable uniform administrative requirements, cost principles, and audit requirements included in Title 2 CFR Parts 200 and 2900 and WIOA Section 184(a)(2)(3) and (4).
4. The completion of financial reporting in compliance with federal and state laws, regulations, and guidance.
5. The expenditure of funds in accordance with federal and state laws, regulations, and guidance.
6. Negotiating with the CEO and required ARIZONA@WORK partners on the methods for funding the infrastructure costs of ARIZONA@WORK job centers in the LWDA.
7. The selection of One Stop Operator(s), with the agreement of the local CEO, through a competitive process such as a Request for Proposal, unless granted a waiver by the State (20 CFR 678.605 and 20 CFR 678.800).
8. The Collection, entry, and maintenance of data related to participant enrollment, activities, and performance necessary to meet all reporting requirements and deadlines.
9. Compliance with the nondiscrimination provisions of 20 CFR 683.285, including the collection of necessary data.
10. Compliance with Council and Department of Economic Security policies and guidelines, including but not limited to:
  - a. Maintaining a budget for the activities of the LWDB, with approval of the CEO and consistent with the local plan and the duties of the Local Board. This does not include the LWDA operations or administrative budgets.
  - b. Maintaining a current Shared Governance Agreement according to Council Policy, 01-2016, Section 111.
  - c. Maintaining current, publicly accessible LWDB By-Laws consistent with 20 CFR 679.31 0(g) and Council Policy, 01-2016, Section IX.
  - d. Using the ARIZONA@WORK approved branding on all one-stop center signage, public outreach materials, electronic medium, and affiliate signage.

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<sup>2</sup> The LWDB's ADA compliance with the federal requirements of Section 504 of the Rehabilitation Act of 1973, as Amended, and 29 CFR part 38, is assessed during the annual OEO monitoring. The WIOA compliance auditor will leverage the most recent OEO monitoring to assess compliance in this area.

- e. Identification of the funding source ("DOL Tagline") in public outreach material, including advertisements and promotional items according to DES WIOA Policy Manual Ch. 3, Sec. 102.01.
11. Compliance with applicable legislative mandates and/or other special provisions as may be required under federal law or policy, including the WIOA or state legislation.
12. Providing priority of service to all veterans and eligible spouses who receive services under the WIOA Title I Adult, Dislocated Worker, and Youth Programs (20 CFR 652.100 and Training and Employment Guidance Letter 10-09).
13. Providing priority of service to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient for receipt of career and training services funded by WIOA Title 1-B Adult Program (20 CFR 680.600 and Training and Employment Guidance Letter 19-16).
14. Compliance with the conflict of interest provisions of 20 CFR 679.430, such as when entities perform multiple functions in a LWDA.

## **Scheduling**

The WIOA Compliance Auditor will prepare and distribute, to each LWDB Chair, with a copy to their Board Staff, a static annual monitoring calendar by December 1st. This calendar will schedule reviews on a quarterly basis for the upcoming year. These quarterly reviews will coincide with the quarterly document reviews and will utilize the documents provided via this method. The LWDB Chair will have fifteen (15) business days to notify the WIOA Compliance Auditor of any anticipated changes to the static calendar for the upcoming program year. The LWDB Chair and the auditor will determine a mutually satisfactory date and the review will be rescheduled. Failure to cooperate with the scheduling or complying with the monitoring review will result in a noncompliance finding letter being issued.

The WIOA Compliance Auditor will provide written notice of the intended monitoring date(s), as reflected on the static calendar, to the LWDB Chair and Board Staff a minimum of thirty (30) days prior to the proposed desk review start date. This notice will include the anticipated duration of the monitoring review period.

The WIOA Title I-A Governance Monitoring Tool will be provided ten (10) days in advance, to the LWDB, for information and self-assessment purposes.

## **Preparing for the Review**

Alongside the monitoring calendar, the LWDB will receive a document review calendar indicating when the LWDB Chair or designated staff must review the documents uploaded in the shared Google Drive folder and either upload the most recent version of a given document or attest that the document in the folder is the most current version. These affirmative attestations will be due quarterly according to the calendar provided.

The documents in this shared folder will be utilized by QAIA staff for routine monitoring functions which require a review of or include these commonly requested documents, and the quarterly attestation will also be reviewed by staff to ensure regular compliance. The WIOA Compliance Auditor will primarily review the documents uploaded in this location for the desk review. Any additional documents required will be requested separately via email.

## Desk Review

The WIOA Compliance Auditor will provide a list of required documents that fall under the auditor's review. The auditor will access these documents as uploaded and affirmed on a quarterly schedule by the LWDB Chair or designated staff person to the shared Google Drive folder.

In order to determine compliance with all applicable regulations and standards, the requested documentation, will include, but is not limited to:

1. Local Board Bylaws
2. Signed Shared Governance Agreements
3. Signed Consortium Agreements (as applicable)
4. Memorandums of Understanding (MOUs)
5. Infrastructure Agreements (IFAs)
6. One-Stop and Service Provider Agreements
7. One-Stop Procurement (including contract)
8. Completed Job Center Certification Assessments
9. Local Plans, including any amendments
10. List of Standing Committee Members
11. Local Governance Organizational Chart(s)
12. Local Policies and Procedures, including, but not limited to:
  - a. Conflict of Interest
  - b. Training Services, and Requirements for Work-Based Training
  - c. LWDB Oversight
  - d. LWDB Management of Funds

The WIOA Compliance Auditor will conduct a preliminary review of all requested documentation within five (5) business days of the scheduled desktop monitoring to ensure all requested documents are recent and relevant to the review, as well as use this time to determine if any additional documents are required. The desk review will be conducted using the WIOA Title I-A Governance monitoring tool.<sup>3</sup>

Desk reviews are deemed non-compliant if the LWDB fails to respond to notifications and requests for information. A second request will be issued allowing the LWDB to respond via email and provide the requested documentation within ten (10) business days. Failure to respond will result

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<sup>3</sup> The WIOA Title I-A Governance Monitoring Tool will be reviewed and updated annually. Amendments will also be updated as regulatory changes occur.

in non-compliance with the WIOA Title I-A Governance Compliance Desk Audit. A letter will be issued to the LWDB Chair and CLEO stating the review is closed due to non-compliance.

## Monitoring Report

Within five (5) business days of the end of the review period, the WIOA Compliance Auditor will issue a Monitoring Report to inform the LWDB Chair of the findings and best practices identified during the review.

The Monitoring Report will be emailed to the LWDB Chair, Board Staff, and the CLEO, with a copy to any other identified interested parties.

A written response to the required corrective action(s) detailed in the monitoring report, must be submitted within thirty (30) business days from the date of the report. The response must include a description of the corrective action plan to resolve the finding(s), including milestones, implementation time frames, and supporting documentation as necessary. Any findings that can be remediated within the twenty days can be corrected during the review period so long as proper documentation is provided to the auditor.

The WIOA Compliance auditor will monitor and track the status of all corrective action plans. A monitoring closure letter will be issued, when the initial and/or subsequent corrective action has resolved the monitor finding(s).

The Monitoring Report may include:

1. **Findings**, which denotes non-compliance with the laws, regulations, Uniform Administrative Requirements, and ETA Directives such that the issue requires immediate attention and corrective action.
2. **Repeat Findings**, which denotes that the finding is similar or essentially the same as a finding which appears in a previous comprehensive monitoring report, including unresolved findings from that report.
3. **Observations**, which identifies area(s) of concern, weakness, or flaw in administrative or management practices and/or performance expectations which, at the time of the review, did not rise to the level of a finding. In many cases an observation, if left unaddressed, could result in performance or compliance problems and/or findings in the future.<sup>4</sup>
4. **Best Practices**, which identifies implemented techniques and methodologies that led to, or will lead to, efficiencies in coordinated services delivery and/or targeted and overall performance improvement.

When there are no findings, or only observations were noted, a closure letter is issued to the LWDB Chair and CLEO, within five (5) business days from the date of the end of the monitoring period.

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<sup>4</sup>No corrective action response is required from the LWDB for observations.

## Corrective Action Response

In certain circumstances, the necessary action required to mitigate the findings may require longer than thirty (30) business days to accomplish. When this occurs, the LWDB will be required to submit a comprehensive corrective action plan (CAP) to the WIOA Compliance Auditor for review and approval. The CAP will be provided within the twenty (20) business days from the date of the final monitoring report.

The corrective action plan must include:

1. The reason for deficiency.
2. A detailed description of the specific actions/activities planned to improve performance and/or mitigate the deficiency (milestones).
3. A plan for monitoring and assessing the accomplishment of the planned actions.
4. Realistic deliverables to resolve all findings.

To ensure timely deliverables and prevent impact to board recertification schedules and requirements, corrective action plans may not exceed longer than sixty (60) days to resolve. The WIOA Compliance Auditor reserves the right to reject the proposed plan of action(s) and request modified deliverables if the findings will not be resolved within a reasonable length of time. All modifications requested to a CAP must be submitted within five (5) business days from when the request is communicated to the LWDB by email.

The WIOA Compliance auditor will monitor implementation and communicate outcomes to the LWDB until the corrective action has been accomplished.

The WIOA Compliance Auditor will respond with acknowledgement and a monitoring closure letter when the subsequent corrective action taken by the LWDB has resolved the monitor finding(s).

## Dispute Process

The WIOA Compliance Auditor will issue the Monitoring Report to the LWDB Chair, LWDB Staff, and LCEO, who will be given thirty (30) business days to review the findings and identify any disputed items.

The LWDB Chair must respond to the findings identifying each disputed item and the reason the item should not be considered as incorrect; including a policy or procedural reference to support the reasoning.

Upon receipt of the dispute, the WIOA Compliance Auditor has five (5) business days to review the LWDB's position, including the submitted supporting documentation, and provide a written response to uphold or overturn the disputed items in the monitoring report. At the completion of the review, the WIOA Compliance Auditor will:

1. Overturn (vacate) the finding(s), if it is determined that an error was made in citing the disputed issue. The finding(s) will be removed from the Monitoring Report.
2. Uphold the finding(s), if it is determined that the disputed issue is correctly cited, the Auditor will uphold the finding(s) in monitoring report. The finding(s) will remain in the Monitoring Report and it will be documented that the Board does not concur with the findings. Corrective action will still be required.

If the LWDB Chair still does not agree with the decision to uphold finding(s), the item may be elevated to the Workforce Policy Unit through the [WIOAQandA@azdes.gov](mailto:WIOAQandA@azdes.gov) mailbox for review by the Workforce Policy Unit. The WIOA Compliance Auditor and DERS Audit Supervisor, must be copied on the dispute elevated to Policy.

The Workforce Policy Unit will issue a final ruling, to either uphold the decision or overturn the finding, within seven (7) business days to the LWDB Chair, LWDB Staff. The DERS Audit Supervisor and the WIOA Compliance Auditor will be copied on the final ruling.

If the finding is upheld, the LWDB Chair will have 10 business days to respond and provide evidentiary documentation to address the finding(s) identified in the Final Monitoring Review Report or provide a comprehensive action plan. The WIOA Compliance auditor will monitor implementation and communicate outcomes to the LWDB until the corrective action has been accomplished.

The WIOA Compliance Auditor will respond with acknowledgement and a monitoring closure letter, when the initial and/or subsequent corrective action response has resolved the monitor finding(s).

All findings that are not included in the dispute must still be resolved within thirty (30) business days from the date of the preliminary monitoring report unless a comprehensive corrective action plan has been approved by the WIOA Compliance Auditor.

## **Record Retention**

1. All WIOA Title I-A Compliance Monitoring documents will be saved in the LWDB respective shared folder. Documents include, but are not limited to: scheduled monitoring notices; all requested documentation listed under “Desk Review”; all evidentiary documentation provided to resolve findings; entrance and exit meeting agendas; monitoring report; closure letter; dispute letter; corrective action plans; and all email correspondence between the Department and the LWDB regarding the compliance monitoring.
2. The WIOA Compliance Auditor will be responsible for tracking the status of the LWDB’s response and corrective action plan to ensure that the LWDB meets required deadlines.

3. The status of all monitoring reviews will be documented on the WIOA Title I-A Governance Monitoring tracking system and recorded on the overarching WIOA Oversight Monitoring Tool.
4. All records pertaining to the monitoring review will be maintained in the QAIA WIOA Compliance shared folder for a period of three (3) years per state record retention requirements and current disposition schedules.
5. The WIOA Title I-A Compliance Monitoring reports and supporting documents will be made available to the DERS Executive Leadership, the USDOL-ETA, and the Office of the Auditor General audit staff, upon request.