

WORKFORCE SYSTEM POLICY (WSP) No. 07-PY2015, April 14, 2016

TO: PENNSYLVANIA WORKFORCE DEVELOPMENT BOARD
BUREAU OF WORKFORCE DEVELOPMENT ADMINISTRATION
BUREAU OF WORKFORCE PARTNERSHIP AND OPERATIONS
CENTER FOR WORKFORCE INFORMATION AND ANALYSIS
LOCAL ELECTED OFFICIALS
LOCAL WORKFORCE DEVELOPMENT BOARD CHAIRS AND EXECUTIVE DIRECTORS
LOCAL WORKFORCE DEVELOPMENT AREA FISCAL AGENTS
LOCAL WORKFORCE DEVELOPMENT AREA ONE-STOP OPERATORS
LOCAL WORKFORCE SYSTEM STAKEHOLDERS

FROM: Robert O'Brien
Acting Deputy Secretary for Workforce Development

SUBJECT: Oversight – Initial Implementation of the Workforce Innovation and Opportunity Act (WIOA)

- I. **Purpose.** To provide insight and direction regarding Pennsylvania's approach to the oversight of workforce administration, funds and programs.

Note: This policy is subject to change and as such may be revised as additional federal guidance and regulations are released, or as the Department of Labor & Industry (Department) deems necessary.

- II. **Background.** Non-federal entities in receipt of federal workforce funds are required to provide oversight of applicable workforce programs, activities, and funds. Such oversight is designed to ensure performance goals are achieved and funds are used for authorized purposes in compliance with applicable federal requirements and consistent with the terms and conditions of the award or sub-award. The new workforce act requires that, at a minimum, sub-recipient/provider, program, and fiscal oversight activities are conducted. Additionally, the commonwealth requires local workforce development boards to provide oversight of all workforce programs and activities associated with funds allocated by the Department.
- III. **Oversight.** The Department will use appropriate oversight methods (i.e., monitoring, evaluation, and audits) and resources (i.e., tools, guides, and technical assistance) as required or needed to ensure compliance with the applicable federal and state laws, regulations, contract provisions/grant agreements, policies, official directives, and local plans; attainment of performance and financial outcomes and goals; timeliness of corrective actions; identification of technical assistance and training needs; and improvement of program performance, efficiency and outcomes of its workforce programs.
- IV. **Oversight Areas of Responsibility.** The Department has identified and categorized areas of responsibility oversight activities will address and examples of oversight activities which may be used to ensure performance goals are achieved and that funds are used for authorized purposes. The Department will use appropriate methods, resources, and processes to oversee each applicable sub-recipient or contract provider's fulfillment of responsibilities pertaining to the following:
 - A. **Sub-Recipient or Provider Capacity, Compliance, Performance, and Reporting.** The Department will conduct oversight of sub-recipient and provider capacity, compliance, performance, and reporting and may monitor, evaluate, or audit one (1) or more of the following subjects to determine sub-recipient and provider compliance and performance:

- Capacity, systems, performance and provisions. *Examples:* Local board certification; operations; performance; plans; reports; policies; management practices; fiscal agent responsibilities and activities; sub-recipient capacity for oversight; Americans with Disabilities Act; nondiscrimination and civil rights provisions; and equal opportunity requirements.

B. Program. The Department will conduct oversight of programs and activities to ensure compliance with federal, state, and local requirements and to ensure programs achieve both intended and expected results. The Department may monitor, evaluate, or audit one (1) or more of the following to determine program performance and compliance:

- Programs. *Examples:* Core programs and other federal and state programs – title I adult; title I dislocated worker; title I youth; and national dislocated worker.
- Entities. *Examples:* Local governments; for-profits and non-profits organizations; and institutions of higher education.
- Activities. *Examples:* Required and other federal and state workforce activities – labor exchange, career, and training services; service delivery; eligibility; performance measures and program outcomes; priority and special populations; record keeping and file maintenance; reports; self-monitoring activities; supportive services and need related payments; youth activities; program management; data analysis; and data element validation.

C. Administrative and Fiscal. The Department will conduct oversight activities of financial systems, cost limitations, and expenditures to ensure that grant funds (e.g., federal and state awards and associated sub-awards) and other assets are adequately safeguarded and their use is in compliance with federal, state and local requirements. Such administrative and fiscal oversight activities used to determine sub-recipient and contract service provider compliance include, but is not limited to the monitoring, evaluation or auditing of one (1) or more of the following:

- General requirements. *Examples:* Administrative procedures; procurement; program income and reporting; property accountability and safeguarding; and record retention.
- Fiscal controls and accounting. *Examples:* Audits; cash disbursement compliance and documentation; cash management practices; closeout; cost allocation plans and processes; disallowed costs; financial management systems; internal controls; Generally Accepted Accounting Principles (GAAP) adherence; payroll administration; planning and budget methodologies; and reporting.
- Oversight. *Examples:* Insurance coverage and risk exposure; oversight functions; and policies.

D. Other. At the discretion of the Department, specialized reviews may be conducted to investigate allegations of mismanagement, to clarify unusual findings, or for other reasons as warranted.

V. Oversight Methods. Oversight methods are processes that identify areas of strength and weakness in sub-recipient, program and/or administrative and fiscal capacity, compliance, performance, or other such areas of responsibilities. Monitoring, evaluation, and audits are the primary methods the Department uses for performing oversight.

A. Monitoring. A process of collecting and analyzing data for the purpose of addressing oversight of programmatic and fiscal activities, administrative systems, and management practices to determine if

such activities, systems, and practices are appropriate, effective, and in compliance with the terms of the sub-award, federal statutes and regulations, state laws, directives and policies; and other requirements upon which the release of funds is conditioned.

- B. Evaluation.** A process conducted to assess effectiveness and to promote, establish, implement, and utilize methods for continuous improvement in order to achieve high-level performance within, and high-level outcomes from, the workforce development system.
- C. Audits.** A formal process conducted as required or when deemed useful for thorough inspection purposes. There are various types of audits (e.g., fiscal, compliance, operational, investigative, and information system).

Note: For the purposes of the required activities pertaining to WIOA funds, a *fiscal audit* is a formal inspection by an independent, public accountant in accordance with Generally Accepted Government Auditing Standards covering financial audits, which includes thresholds, timeframes, auditor selection responsibilities, and reports consistent with Office of Management and Budget (OMB) Circular A-133, 2 Code of Federal Regulations (CFR) Part 200, and any other applicable federal and state statutes, regulations, policies, and the terms and conditions of any applicable awards or sub-awards.

VI. Oversight Resources.

- A. Tools.** In order to effectively conduct oversight activities, the Department will develop tools that address the various components of the subject of the monitoring, evaluation, or audit (e.g., risk assessment tools; report review and analysis tools; and desk and on-site monitoring guides).
- B. Technical Assistance.** Technical assistance is a means of improving program operations, facilitating the implementation of corrective action, or providing information. Such assistance may include but is not limited to special training, discussion of areas of concern, evaluation of program operation, or any combination thereof.

Technical assistance and training may be recommended by the Department or requested by sub-recipients and/or contractors (i.e., local area chief elected officials, local boards, fiscal agents, operators, service providers, and intermediaries). Technical assistance may also occur during oversight activities. However, when receiving requested assistance, entities will not be monitored on the quality or compliance of their programs, but rather, will be provided direction to improve quality and compliance issues. A request for technical assistance must be provided in writing as to equip the Department with sufficient information to determine the most appropriate form and level of assistance applicable. If several entities request assistance in related areas, a general training session may be scheduled.

Note: Noncompliance of applicable federal, state, and local laws, regulations, contract provisions/grant agreements, policies, official directives and local plans does not relieve entities (e.g., sub-recipients and/or contractors) receiving federal funds under this act from sanctions and/or penalties arising from oversight and/or technical assistance activities.

VII. Oversight Process.

- A. Notification.** With the exception of unscheduled oversight activities, notification of pending activities will be given at least ten (10) days before each review. On-site visits and requests for submission of

materials from sub-recipients or contract providers will be scheduled at least 15 calendar days in advance of any *required* oversight activity.

B. Oversight Activities. Comprehensive oversight activities include using a variety of methods and thorough analysis to help identify compliance violations and potential weaknesses before such activities result in sub-standard performance or questioned costs. Oversight activities will assess a sub-recipient's or contract service provider's compliance with applicable federal, state, and local statutes, regulations, contract provisions/grant agreements, policies, official directives, and the appropriate uniform administrative requirements for grants and agreements applicable to the type of entity receiving funds.

- On-site visit. An activity wherein staff use monitoring, evaluation and/or audit methods to perform oversight on-site in order to ensure adequately safeguarded funds; program performance goals are met; sub-recipients, programs and fiscal compliance; and other oversight goals and/or needs as deemed useful.

Note: The Department will conduct on an annual basis, per WIOA Sec. 184(a)(4), on-site monitoring of each local area to ensure compliance with the uniform administrative requirements, and to monitor other subjects as deemed necessary.

- Desk review. An activity wherein staff use monitoring, evaluation, and/or audit methods to perform the oversight activities of data acquisition, verification, and analysis of information and documents submitted electronically by a non-federal entity. Desk reviews allow for the review of programs and related financial and participant data to test compliance prior to, or as an alternative to, an on-site visit, when allowable; to identify potential or recurring problems; to prepare for more in-depth on-site visits; and to conduct more systematic and continuous oversight.
- Random sampling. An activity wherein staff use monitoring, evaluation, and/or audit methods to perform a statistically valid process of selecting a pre-defined volume of samples at random to be used to help identify compliance violations, questioned costs, and/or potential weaknesses in performance.
- Survey. An activity wherein staff use monitoring, evaluation, and/or audit methods to ask questions, or a series of questions, in order to gather information for the purposes of examining the information gathered. Such information is used to help identify compliance violations, questioned costs, or potential weaknesses in performance as well as to capture promising practices or needs for technical assistance (e.g., telephone, in-person or email communications, public domain searches, and third-party evaluations).

C. Exit Interview. The Department will conduct an exit interview within 10 calendar days of the conclusion of the oversight activity.

D. Report. Within 45 calendar days of the exit interview, the Department will issue a report summarizing the oversight activity results, which may include the following, as applicable:

- Findings and Required Actions. Identified issues, policies, or practices that are non-compliant with applicable federal, state, and/or local statutes, regulations, terms and conditions of an award or contract, issuances, policies, and official directives. Each finding must have a corresponding required action that identifies what the Department will accept as action taken.

- Areas of Concern and Recommendation. Issues, policies, or practices observed (e.g., questioned costs) during the oversight activity that negatively impact the sub-recipient or contract service provider's ability to effectively manage the grant or provide services to participants.

Note: The Department may also indicate as areas of concern "risk areas" or "red flags" that, if not corrected, could lead to an area of non-compliance in future oversight activities. Each area of concern may have a corresponding recommendation for improving the issue/practice. Recommendations are not required actions but sub-recipients and contract service providers are encouraged to implement the recommendation for the purpose of improving the issue/practice.

- Promising Practices. Practices identified through an oversight method, often discovered through program outcomes, observations, or reports during an oversight activity, that are determined to be sufficiently effective or innovative. Such practices will be noted or highlighted in the report and may be shared with other sub-recipients and contract service providers upon request and with permission from the entity.

E. Resolution.

- Within 30 calendar days of the date of report issuance by the Department, the sub-recipient or contract service provider must provide a corrective action plan (CAP) and supporting documentation to the Department regarding any unresolved findings for review and analysis. The corrective action plan must identify actions the entity will take to correct the finding and the date by which the action must be completed.

Note: The sub-recipient or contract service provider may be required to provide a progress report to describe the progress the entity has made toward correcting the finding identified in the CAP. At the discretion of the Department, further oversight activities may be conducted.

- Within 30 calendar days of receipt of the CAP, the Department will review and analyze the corrective action plan and render a determination (i.e., management decision) addressing the acceptability of corrective actions taken or planned, in order to resolve any findings.

Note: If any costs have been determined to be disallowed, the Department will establish a debt against the sub-recipient or contract service provider. If any findings are not resolved and/or debts are not paid, the sub-recipient or contract service provider will be subject to corrective actions and sanctions.

- For additional guidance with regard to findings and/or inquiries, see Workforce System Policy No. 03-2015 *Financial Management* and its attached *Financial Management Guide, Chapter 9*.

F. Appeal. All management decisions issued by the Department may be appealed pursuant to the process provided in Workforce System Policy No. 03-2015 *Financial Management* and its attached *Financial Management Guide, Chapter 9*.

VIII. Access to Records. The Department, and its authorized representative, have the right of timely access to any books, documents, papers, computer records, emails, and/or other records of sub-recipients and contract service providers that are pertinent to the use of any funds administered by the Department in order to conduct monitoring, audits, and examinations and to make excerpts, transcripts and photocopies of such documents.

The right of access also includes timely access to sub-recipient and contract service provider personnel for the purpose of interview and discussion related to such documents for determining compliance during monitoring activity.

The right of access will last as long as the records are retained, in accordance with applicable statute, regulations, award terms and conditions, etc. Except as otherwise provided, records must be retained for three (3) years from: either the last expenditure applied to the program, grant and/or participant record; the last service provided for the program, grant, and/or participant records, or the conclusion of any litigation, audit, or claim instituted involving the grant covered by the records prior to the expiration of the three (3) year retention period, whichever occurs last. (See 2 CFR 200.333 for additional information regarding record retention requirements.)

- IX. Contact Entity.** Technical assistance and/or inquiries regarding this policy may be directed to the Pennsylvania Department of Labor & Industry, Bureau for Workforce Development Administration, Oversight Services unit, 651 Boas Street, Suite 1200, Harrisburg, PA 17121. Electronic inquiries may be directed to at RA-LI-BWDA-OS@pa.gov. Telephonic inquiries may be directed to (717) 783-8050.
- X. Rescissions.** Workforce Investment Information Notice (WIIN) No. 3-00, Change 2, *Local Area Monitoring Guidelines*, dated June 6, 2008.
- XI. Accessibility.** Workforce system directives are available on the PA Department of Labor & Industry website at <http://www.dli.pa.gov> for downloading.
- XII. Appendices.**
- **Appendix A: Oversight Responsibilities of Sub-recipients and Service Providers**
 - **Appendix B: References**
 - **Appendix C: Definitions**
 - **Appendix D: Administrative Standards**

Appendix A: Oversight Responsibilities of Sub-recipients and Service Providers

- I. **Local Oversight.** Sub-recipients (including local workforce development boards) and contract service providers must conduct and document complete and regular oversight of their own activities and routinely oversee the activities of contract service providers which receive public funds administered by the Department. Oversight must include review of both the uniform administrative and fiscal requirements and program performance of the entities administering and delivering services. These activities must be designed to ensure compliance with federal, state and local requirements; that the programs achieve intended results; and that grant funds and other assets are adequately safeguarded.
- II. **Local Areas of Responsibility.** The local board, in partnership with the chief elected official for the local area, must, at a minimum per WIOA section 107(d)(8), ensure compliance with applicable federal, state or local laws, regulations, contract provisions/grant agreements, policies, and official directives; appropriate use, management and investment of workforce funds; and must conduct oversight of the following to include, but not limited to:
 - A. **Capacity, Compliance, Performance Oversight, and Reporting.** Oversight of an entity's capacity, compliance, performance and reporting. Such oversight may monitor, evaluate, and/or audit one (1) or more of the following subjects to determine the sub-recipient or provider's compliance and performance:
 - Capacity, systems alignment, performance, and provisions. Local board certification; operations; performance; plans; reports; policies; management practices; fiscal agent responsibilities and activities; sub-recipient capacity for oversight; Americans with Disabilities Act; nondiscrimination and civil rights provisions; and equal opportunity requirements.
 - B. **Workforce Program Compliance, Performance, and Reporting.** Oversight of programs, applicable systems, and activities to ensure compliance with federal, state, and local requirements and to ensure programs achieve both intended and expected results. Such oversight may monitor, evaluate, and/or audit one (1) or more of the following to determine program performance and compliance:
 - Programs. *Examples:* Core programs and other federal and state programs – title I adult; title I dislocated worker; title I youth; and national dislocated worker.
 - Entities. *Examples:* Local governments; for-profits and non-profits organizations; institutions of higher education; and PA CareerLink® operators.
 - Activities. *Examples:* Required and other federal and state program activities – labor exchange, career, and training services; service delivery; eligibility; performance measures and program outcomes; priority and special populations; record keeping and file maintenance; reports; self-monitoring activities; supportive services and need related payments; training providers; youth activities; program management; data analysis; and data element validation.
 - C. **Administrative and Fiscal Compliance and Reporting.** Oversight of financial systems, cost limitations and expenditures to ensure grant funds (e.g., federal and state awards and associated sub-awards) and other assets are adequately safeguarded and that their use is in compliance with all other applicable federal, state, and local requirements. Such administrative and fiscal oversight activities used to determine sub-recipient and contract service provider compliance include, but is not limited to, the review and evaluation of one (1) or more of the following:

- General requirements. *Examples*: Administrative procedures; procurement; program income and reporting; property accountability and safeguarding; and record retention.
- Fiscal controls and accounting. *Examples*: Audits; cash disbursement compliance and documentation; cash management practices; closeout; cost allocation plans and processes; disallowed costs; financial management systems; internal controls; GAAP adherence; payroll administration; planning and budget methodologies; and reporting.
- Oversight. *Examples*: Insurance coverage and risk exposure; oversight functions; and policies.

E. Other. At the discretion of the sub-recipient/contracted provider, specialized oversight activities may be conducted to investigate allegations of mismanagement, to clarify unusual findings, or for other reasons as warranted.

Note: Consequences of an ineffective oversight process may result in vulnerability to fraud, waste, and abuse, unintended and delayed awareness of unallowable activities, costs, and participant ineligibility. Sub-recipients must do their due diligence to avoid such vulnerabilities. In the event of noncompliance and/or failure to take required corrective action for substantial violations of standards, sanctions and fiscal controls will be imposed according to applicable federal and state laws, regulations, contract provisions/grant agreements, and policies.

III. Local Oversight Plan. Sub-recipients and applicable contracted service providers must develop their own local-level oversight plan. The intent of the local oversight plan is to demonstrate that the applicable non-federal entity is able to meet the requirements of the grant agreement, on time, and within cost limits and to identify the purpose of performing the oversight activities. This plan must be in writing and must incorporate the following:

A. Local Activities. Oversight activities must include monitoring and must assess each sub-recipient and contracted service provider's compliance with applicable federal, state, and local laws, regulations, contract provisions/grant agreements, policies, and official directives and compliance with the appropriate uniform administrative requirements for grants and agreements applicable to the type of entity receiving funds. Oversight activities must encompass both uniform administrative requirements and programmatic monitoring and must be evaluated at least twice each program year (July 1 - June 30). Local boards should consider monitoring more often to avoid noncompliance and enhance system alignment.

B. Local Process. The local oversight plan process must address, but is not limited to the following:

- Methods. Identification of the method of oversight planned, such as monitoring, evaluation, or audit, and the appropriate oversight activities, such as on-site review, comparative financial analysis, desk review, staff analysis, or other types of oversight activities.
- Tools. All sub-recipients must develop written oversight tools that assist the sub-recipient or contract provider in conducting a thorough review of programs and activities. The varying requirements of each of the funding streams involved must be taken into consideration when designing such tools and determining the most effective activities to be used. The tool used for each oversight activity must be included with the final oversight report (*below*). Such tool must include, at a minimum, the following:
 - Name of the agency;

- Name of the individual performing the monitoring;
 - Date of the monitoring;
 - Services or activities provided;
 - Total amount of the contract and sources of the funding;
 - Date(s) of the oversight activity;
 - Staff interviewed; and
 - Summary of the results that include program strengths, concerns, deficiencies and areas where technical assistance may be needed.
- *Schedule and Timeline.* A schedule or timetable for planned oversight activities.
 - *Reporting and resolution requirements.* Sub-recipients and contract service providers must ensure that oversight reports identify instances of noncompliance with applicable federal, state and local laws, regulations, contract provisions/grant agreements, policies, and official directives and provide recommendations for corrective action and program quality enhancements. Sub-recipients and contract providers must ensure timelines are established for the completion of corrective actions, based on the severity of the deficiency; and must work to ensure prompt implementation of corrective actions. Sub-recipients and contract service providers must ensure that a copy of all oversight reports, including the tool used to complete the oversight activity is provided to all local board members.
 - *Controls.* Sub-recipients and contract service providers must:
 - Require periodic reports from the contract service providers outlining monitoring reviews, noncompliance issues, and the status of corrective actions;
 - Ensure that a briefing regarding oversight activities and findings is provided to the local workforce development board, or appropriate standing committee of the local board, at regularly scheduled meetings and that the briefing is documented;
 - Perform an annual evaluation of the oversight function to determine its effectiveness; and
 - Develop the written oversight process to be used in the provision of oversight.
 - *Appeals.* Sub-recipients and contract service providers must have a written policy in place that describes the entity's appeals process, which must include but is not limited to: timelines, levels of appeal, requests, reviews, adverse and favorable determinations, and resolutions.

Note: The required local appeals policy must be consistent with the process outlined in Workforce System Policy No. 03-2015 *Financial Management* and its attached *Financial Management Guide, Chapter 9.*

IV. Risk Assessment. The Department requires that each sub-recipient incorporate a risk-assessment approach to oversight of its contractors, which allows for a more narrow and concentrated scope of review. If a local board chooses to use risk-assessment, the local board's oversight plan must outline the methodology, which must include the following four (4) steps at a minimum:

A. Process.

1. *Define scope.* Consider which contract(s) involve the most risk exposing the local board to adverse consequences.

2. Identify areas of possible exposure associated with taking additional risks. Consider the level of vulnerability of the local area or local board if a contractor's compliance with programmatic and fiscal system requirements is monitored less frequently.
3. Identify the factors used to assess risk. Consider the following:
 - Has the contractor experienced major changes in personnel or practices since the last review?
 - What is the structure for provision of services?
 - Is there a history of disallowed costs?
 - Is there a significant history of prior oversight findings?
 - What is the contractor's share of the local area's allocation?
4. Project the risk. Assign point values to the scoring system. The numerical ratings can be used to help the local board determine how to allocate its oversight resources.

Local boards may include additional steps, risk factors and questions in developing a comprehensive risk-assessment methodology.

Service providers may be classified as *high risk*, *medium risk*, or *low risk* for the purposes of measuring program accountability. At a minimum, all providers must be monitored once during each program year (July 1 – June 30), with medium risk, or high risk providers being monitored more frequently.

B. Samples. Risk-assessment samples are to follow:

- **Sample I: Scoring Card**
- **Sample II: Scoring System**

Sample I: Scoring Card

Risk Factors	* Provider 1	* Provider 2	* Provider 3	* Provider 4	* Provider 5
Was there a change in provider's personnel or practices since last on-site review?					
What is the structure for provision of services?					
Is there any history of disallowed costs?					
What is the extent of recent audit or monitoring findings?					
What is the Contractor's share of the local area's WIOA allocation?					
**					

SAMPLE

* INSERT CONTRACTOR'S NAME

** A LOCAL AREA MAY WISH TO ADD OTHER RISK FACTORS TO THIS CHART, SUCH AS THE NUMBER OF COMPLAINTS OR PROBLEMS WITH PROPERTY MANAGEMENT.

Use the numeric scoring system on the next page, then evaluate the total scores for each contractor. A high score is an indicator of increased risk, identifying the priority for monitoring early in the process.

Sample II: Scoring System

1. Were there any changes in provider's personnel or practices since last on-site review?

15 points = extensive change | 8 points = some change | 0 points = little to no change

2. What is the structure for provision of services?

10 points = if providers does not provide services directly | 5 points = if provider provides some services and purchases some services | 0 points = if provider provides all or nearly all services directly

3. Is there any history of disallowed costs?

20 points = if more than 1 instance of disallowance | 5 points = a single instance of disallowance. | 0 points = no disallowances have occurred

4. What is the extent of recent audit or monitoring findings?

25 points = if substantial oversight findings occurred within past 2 years | 20 points = if some oversight findings occurred within past 2 years | 0 points = no oversight findings occurred in the past 2 years

5. What is the contractor's share of the local area's allocation?

15 points = if more than 25% of local board's allocation | 8 points = if 10% to 25% of local board's allocation | 0 points = if less than 10% of local board's allocation

Local boards may elect to assign point values as deemed necessary.

Appendix B: References

- Workforce Innovation and Opportunity Act (WIOA), Public Law (Pub. L.) 113-128
- Workforce Investment Act of 1998 (WIA), Pub. L. 105-220, et seq.
- Workforce Innovation and Opportunity Act-Notice of Proposed Rulemaking, 80 FR 20689
- WIA Regulations, 20 CFR Part 652 et al, 29 CFR Part 95-97
- Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR Part 200 et al, and Part 2900
- USDOL Core Monitoring Guide and the Core Monitoring Guide with the Formula Grant Supplement
- Pennsylvania Sunshine Act, 65 Pa. C.S.A. §701 et seq.
- Pennsylvania Right-to-Know Law, 65 P.S. §66.1 et seq.
- Pennsylvania Workforce System Directives
[<http://www.dli.pa.gov/Businesses/Workforce-Development/Pages/Pennsylvania's-Workforce-System-Directives.aspx>]
- Pennsylvania Management Directives
[[http://www.portal.state.pa.us/portal/server.pt/community/management_directives/711/management_administrative_support_\(205-260\)/208571](http://www.portal.state.pa.us/portal/server.pt/community/management_directives/711/management_administrative_support_(205-260)/208571)]

Note: This policy and related guidance may encompass other federal, state and local statutes, regulations, terms and conditions of an award or contract, as well as issuances, policies and official directives not listed above.

Appendix C: Definitions

Audit is a formal oversight method conducted as required, or when deemed useful, for thorough inspection purposes. Various types of audits may be used, however, fiscal audits are the most common type of audits, and as required must be consistent with OMB Circular A-133, 2 CFR Part 200, and any other applicable federal and state statutes, regulations, policies, and the terms and conditions of any applicable awards, or sub-award.

Bureau of Workforce Development Administration (BWDA) is the entity responsible for the administration of workforce funds on behalf of the Department.

Bureau of Workforce Partnership and Operations (BWPO) is the entity responsible for operating workforce programs on behalf of the Department.

Chief Elected Official is the chief elected executive officer of a unit of general local government in a local workforce development area.

Commonwealth Workforce Development System (CWDS) is the management information system of record used for all workforce data collection and reporting in Pennsylvania. It is a secured Internet-based website providing multiple operational functions. Accessed through CWDS are two (2) financial-oriented information management sub-systems. The first is the *Financial Management System* (FMS) used by local area grantees and/or fiscal agents for reporting federal and state expenditures and making cash disbursement requests. The second system is the *Cost Allocation Reimbursable System* (CARS) whereby BWDA allocates funds to the local workforce development areas through the Resource Sharing Agreement Budget (RSAB) process for each PA CareerLink® center.

Contract Service Provider is an entity other than a vendor engaged to provide goods, services or both under a contract with a sub-recipient, or other provider of services pursuant to an executed contract funded with monies administered by the Department.

Department is the Pennsylvania Department of Labor & Industry, which has been designated by the governor to serve as the state administrative entity/state workforce agency.

Disallowed Costs are those charges to a federal award that the Department determines to be unallowable, in accordance with the applicable federal statutes, regulations or the terms and conditions of the federal award. [2 CFR 200.31]

Management Decision is the determination by the federal awarding agency or pass-through entity of findings and corrective actions plans, and the issuance of a written decision to the auditee as to what corrective action is necessary.

Monitoring is a deliberate collection and analysis of data for the purpose of addressing an oversight function. It is a systematic review of internal and external programs and operations.

Non-Federal Entity is a state, local government, Indian tribe, institution of higher education, for-profit entity, foreign public entity, foreign organization or nonprofit organization that carries out a federal award as a recipient or sub-recipient. [2 CFR 2900.2]

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Pass-Through Entity is a non-federal entity that provides a sub-award to a sub-recipient to carry out part of a federal program.

Questioned Cost is a cost that is questioned by an auditor, federal project officer, grant officer, or other authorized awarding agency representative because of an audit or monitoring finding:

- Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- Where the costs, at the time of the audit, are not supported by adequate documentation; or
- Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Sub-Recipient is a non-federal entity that receives a sub-award to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A sub-recipient may also be a recipient of other federal awards directly from a federal awarding agency. For example, local workforce development boards are sub-recipients.

Uniform Guidance (commonly referred to as “Super Circular”) is the Office of Management and Budget (OMB) final rule that encapsulates multiple OMB circulars into one. The formal name is “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

Appendix D: Administrative Standards

- I. **Administrative Standards.** All recipients and sub-recipients including contractors, and service providers receiving Workforce Innovation and Opportunity Act funds must operate under WIOA law and regulations that prohibit certain activities. Activities in any of these prohibited areas will be cause for disciplinary measures and the possible de-obligation of funds.
- Conflict of Interest. [See 20 CFR Part 683.200]
 - Lobbying Activities. [See 29 CFR Part 93]
 - Political Activities or Patronage. [See WIOA Sec. 194(6)]
 - Kickbacks/Fees. [See 41 U.S.C. 53]
 - Charging of Fees. [See WIOA Sec. 194(5)]
 - Nepotism. [See 20 CFR Part 683.200]
 - Child Labor Law. [See 29 CFR Part 571]
 - Sectarian Activities. [See WIOA Sec. 188(a)(3); 20 CFR Part 683.255; 29 CFR Part 37.6(f)(1)]
 - Criminal Activities. [See 20 CFR Part 683.620]
 - Funding and Program Restrictions. [See WIOA Sec. 181; WIOA Sec. 194; 20 CFR Part 683.250]
 - Labor Standards. [See WIOA Sec. 181; 20 CFR Part 683.275]
 - Unionizing Activities. [See WIOA 181; 20 CFR Part 680.850; 20 CFR Part 683.275]
 - Business Relocation. [See WIOA 181; 20 CFR Part 683.260]
 - Employment Generating/Economic Development. [See WIOA 181]
 - Nondiscrimination and Equal Opportunity. [See WIOA 181; WIOA 188; 29 CFR Part 38; 29 CFR Part 34]
 - Equal Treatment for Religious Organizations/Protection of Religious Liberty. [See 29 CFR Part 2.30]