



T H R E E R I V E R S

WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

Policies for Fiscal Monitoring of City of Pittsburgh & Allegheny County's WIA & WIA ARRA Contracts

Program Year 2009

BACKGROUND

The Three Rivers Workforce Investment Board (TRWIB) is charged with planning and ensuring that monitoring/oversight of Local Workforce Investment Area (LWIA) services and activities are conducted in accordance with Federal, State, and local statutory/regulatory requirements. The TRWIB is unique in that it is a Workforce Investment Board (WIB) containing two LWIAs, the City of Pittsburgh (City) and Allegheny County (County). The City and the County are the fiscal agents for WIA & American Recovery and Reinvestment Act (WIA ARRA) funds allocated to these respective LWIAs. Therefore, instead of being the primary monitoring body for contractors, the TRWIB is ultimately responsible for overseeing the City and County's monitoring of WIA formula funded & WIA/WIA ARRA contracts.

The TRWIB is committed to ensuring that monitoring conducted by the City and County is conducted in accordance with federal and state requirements. The TRWIB is particularly concerned that the following four statewide minimum requirements for monitoring/oversight and evaluation of WIA contracts are addressed in the monitoring practices of the City and County. (WIIN 3-00 Change 2, June 6, 2008)

- 1) Reviews of single audits;
- 2) Reviews of quality of service to enhance program accountability;
- 3) On-site visits to review records, documents and observe operations; and
- 4) Reviews of service providers' financial and progress reports.

Any contractor that received WIA funding in the previous program year but failed to submit proper documentation during the monitoring process, may not be awarded WIA formula or WIA ARRA funds for the current program year.

TRWIB will address these issues and the regulations of the American Recovery and Reinvestment Act by setting forth the following policies and procedures related to fiscal monitoring effective July 1, 2009.

AMERICAN RECOVERY & REINVESTMENT ACT (WIA ARRA)

The American Recovery and Reinvestment Act (WIA ARRA) is intended to preserve and create jobs, promote the nation's economic recovery and assist those most impacted by the recession. It is clear that WIA ARRA funds are to be used to increase the number of people who are receiving services from the workforce system. This means that WIA ARRA funds are an addition to current WIA spending. Recovery Act funds cannot be used to substitute or replace current WIA funding. TRWIB's primary focus is to ensure that both the letter and the spirit of the Recovery Act is met at the local level. To accomplish this, TRWIB will work to ensure that the Recovery Act is implemented expeditiously and effectively with full transparency and accountability of fund expenditures.

WIA ARRA CONTRACT APPROVAL PROCESS

On June 12, 2009, the TRWIB's Executive Committee agreed to a contract threshold amount of \$25,000 for WIA ARRA funds spent for workforce development activities by the City and the

County. This provision is adopted to comply with the intent for transparency in contracting WIA ARRA funds and in accordance with the Commonwealth of Pennsylvania's policies in regard to expenditure of WIA ARRA monies. This means that City and County WIA/WIA ARRA contracts in the amount of \$25,000 or more, with the exception of Individual Training Accounts (ITAs), has to be approved by the TRWIB. The \$25,000 threshold amount only applies to WIA/WIA ARRA contracts and not towards regular Workforce Investment Act (WIA) formula funded contracts.

City and County WIA/WIA ARRA contracts in the amount of \$25,000 or more will be awarded in accordance to the "sunshine provision" of the WIA. The sunshine provision requires for local Workforce Investment Boards to conduct its business in an open manner, by having meetings that are open to the general public on a regular basis. TRWIB meets this requirement by advertising its full board and Executive Committee meeting dates in papers of general circulation and on TRWIB's web site. The full Board will be notified that they may attend Executive Committee meetings and that the resulting contract awards from the Executive Committee meetings will be on the TRWIB's web site and will be presented at the next full board meeting.¹

WIA ARRA SUMMER YOUTH EMPLOYMENT PROGRAM (SYEP) MONITORING & REPORTING

Due to the short-term nature of the SYEPs, the City and County shall adhere to their internal procedures to ensure that services are conducted in accordance with federal, state and local statutory/regulatory requirements. Again, the four minimum requirements for monitoring/oversight at the local level are²:

- Reviews of single audits;
- Reviews of quality of service to enhance program accountability;
- On-site visits to review records and documents, and to observe operations; and
- Review of service providers' financial and progress reports.

The following methods are options that may be utilized:

- Further evaluations by third parties (consultants);
- Telephone calls;
- Random surveys
- Making arrangements for limited-scope audits or specific areas;
- Desk reviews of reports and statistics;
- Reviews of email communications; and
- Evaluations of news stories and features about service providers

Additionally, the City and the County shall include TRWIB on all of the SYEP monthly supplemental reports that are sent to the state. The state's supplemental reports may include data elements such as: characteristics of participants, the numbers of participants in summer employment, services received, attainment of a work readiness skill, which is required in the Recovery Act and completion of the summer youth employment program.

WIA ARRA SECTION 1512 REPORTING REQUIREMENTS

¹ TRWIB Memo, June 30, 2009, American Recovery and Reinvestment Act Contract and Reporting Procedures

² PA Department of Labor & Industry, Workforce Investment Information Notice NO. 3-00 Change 2, June 6, 2008

Section 1512 of the Recovery Act requires recipients to report on the use of Recovery Act funding, and provide detailed information, such as: total amount of funds received; the amount spent on projects and activities; a list of those projects and activities funded, including name, description, completion status and estimates of jobs created and retained; and details on subawards and other payments.³

As is the case in Pittsburgh and Allegheny County, the LWIA fiscal agents and Local Workforce Investment Board are three different entities. Therefore, the source of the sub-recipient data elements will be by the LWIA fiscal agents (City & County); however, it is TRWIB who will manage the collection of Recovery Act Section 1512 reporting and report this information to the PA Department of Labor and Industry.

LWIAs do not need to distinguish recipients of subcontracts or purchase orders made with Recovery Act funds as either a sub-recipient or a vendor. All recipients of Recovery Act funding from a LWIA Fiscal Agent are designated as a “sub-recipient vendor” and should report only the “subrecipient vendor” data elements as required by the Recovery Act and Commonwealth. The clarification of designating all Local Workforce Investment area Recovery Act grantees as a sub-recipient vendor replaces all references and reporting in Guidance Memo #6 that state otherwise.⁴

Each quarter, the LWIA must identify any subrecipient vendor that the LWIA has provided payment of \$25,000 or more at any time since the Recovery Act was signed. Note that \$25,000 is not the total amount of money that the LWIA has provided to an entity over time – instead you only identify and report a subrecipient vendor if you have made at least a one-time payment of Recovery Act funds to an entity that met or exceeded the \$25,000 threshold.⁵

Shown below are PY2009 report deadlines for Section 1512 reporting requirements:

October 2, 2009

- Period of February 17, 2009 – September 30, 2009:
- LWIBs must report all Section 1512 and Commonwealth established quarterly data elements

October 6, 2009

- Absolute cut-off to enter all SYEP Participant Data into CWDS for the period of May 1-Sept 30, 2009

October 6-20, 2009

- State visits local sites on Recovery Act Section 1512 Validation

TBD: January 2010

- Period of February 17, 2009 – December 31, 2009:
- LWIBs must report all Section 1512 and Commonwealth established quarterly data elements

TBD: April 2010

- Period of February 17, 2009 – March 31, 2010:
- LWIBs must report all Section 1512 and Commonwealth established quarterly data elements

³ ETA, Training and Employment Notice, NO. 7-09, August 21, 2009, Technical Assistance on American Recovery and Reinvestment Act of 2009 Section 1512 Reporting Requirements

⁴ PA Department of Labor & Industry, September 29, 2009, Guidance Memo #7: Recovery Act Section 512 Reporting Requirements- Clarifications to Guidance Memo #6 and Reporting Data Element including job creation/retention

⁵ PA Department of Labor & Industry, Guidance Memo #7

TBD: July 2010

- Period of February 17, 2009 – June 30, 2010:
- LWIBs must report all Section 1512 and Commonwealth established quarterly data elements

Please refer to any of the resources listed below for additional information regarding Section 1512 reporting requirements.

Websites:

- Pennsylvania – <http://www.paworkforce.state.pa.us/> (Recovery Act)
- Federal – <http://www.recovery.gov>
- White House (OMB) – <http://www.whitehouse.gov/recovery>
- US Dept of Labor ETA – <http://www.doleta.gov/recovery>

Guidance:

- OMB Memo 09-21
- USDOL-ETA TEGLs: 24-08, 29-08, 01-09

State Contact:

- Carrie Anne Kutney
Special Assistant on WIA ARRA Reporting
PA Department of Labor & Industry
651 Boas Street | Harrisburg, PA 17121
Phone: 717-214-4829 Fax: 717-346-0455
Email: ckutney@state.pa.us

In addition to the Section 1512 reports, the TRWIB staff may request WIA ARRA information and reports from the City and the County on an as-needed basis to fulfill the inquiries from TRWIB board members and the general public.

RISK ASSESSMENTS

The TRWIB requires that the City and County utilize a risk assessment approach to narrow and concentrate their scope of review. The City and County will classify service providers as either high risk or low risk for the purposes of measuring program accountability. At a minimum, high risk providers must be monitored annually. It is recommended that low risk providers be monitored, at a minimum, once every three years. The TRWIB requests a written explanation of how risk assessment scores are generated.

In addition to the City and County providing the TRWIB with the process of establishing a risk assessment score, the TRWIB must receive a list of all WIA formula funded and WIA/WIA ARRA contracts held by the City and County to identify most likely non-compliant operators. The list must include:

- 1) The name of the contractor;
- 2) The contract amount;
- 3) Funding stream, i.e. WIA formula, WIA ARRA
- 4) The risk points based off of the risk assessment; and
- 5) The at-risk status, or lack thereof, of the contractor.

The TRWIB would like the City and County to complete a form for Program Year 2008 showing total WIA & WIA ARRA expenditures that separate administrative expenses and program operating expenses. The form should be completed using year ending 6/30/09 expenditures. This

form will be sent as an attachment to the City and the County and shall be submitted to the TRWIB by Friday, January 29, 2009.

The TRWIB expects the complete list of WIA formula funded and WIA/WIA ARRA contracts no later than **Thursday, November 12, 2009**. The TRWIB also expects the following documents by **Friday, January 29, 2010**:

- written explanation of how risk assessment scores are compiled
- actual risk assessment scores

MONITORING

Based on the risk assessment scores, the TRWIB expects the City and County to monitor high risk sites first and give them priority status. The City and the County shall conduct an onsite visit of at least one of their WIA ARRA funded contractors. The TRWIB will choose a total of two high risk contractors, one(1) for the City one(1) for the County, whose contracts, finished monitoring tools, work papers and monitoring reports for programmatic and fiscal monitoring must be completed and to the TRWIB by **Monday, March 15, 2010**.

In addition to the City's and County's monitoring of high risk contractors, the TRWIB will begin spot monitoring high risk contractors **Monday, March 29, 2010**. The TRWIB Compliance Manager will schedule meetings with those contractors posing the highest risks and other randomly selected contractors throughout the program year. The TRWIB requests that the City and County send a list of scheduled meetings with contractors to the TRWIB Compliance Manager by **Monday, March 29, 2010**. The TRWIB will compare results of this spot monitoring with the City and County to ensure that quality monitoring and follow-up on corrective action plans is taking place when applicable.

CITY & COUNTY'S MONITORING RESULTS TO TRWIB

Monitoring reports/results must be made available to the TRWIB to assist with strategic planning efforts. These reports will enable the TRWIB to assess service providers' compliance with Federal/State regulations, plan future technical assistance activities, and adjust policies to reflect emerging economic opportunities. The TRWIB requires that the City and County submit each contractor's monitoring report, a copy of the monitoring tool, an audit, and any corrective action plans as they are completed. This enables the Compliance Manager at the TRWIB to follow-up with the City and County on corrective action plans submitted by contractors and to make certain that high risk sites are being monitored.

Corrective action plans to rectify any findings submitted by the City, County and/or contractors must be sent to the TRWIB's Compliance Manager within **30 days** of the issuance of the report or no later than **Friday, May 28, 2010**. If this 30 day timeframe extends past Friday, May 28, 2010, the corrective action plan and TRWIB follow-up will continue into PY2010, but will still be applicable for PY2009. Follow-up activities must be documented and corrective action taken within 90 days of the report.

The TRWIB expects all monitoring tools, monitoring reports, audits, and corrective action plans of contractors submitted to the TRWIB Compliance Manager no later than **Friday, May 28, 2010**. The TRWIB requires that materials for each high risk site be submitted, as well as, any other contractor monitoring that the City/County has completed.

Receiving all monitoring tools, monitoring reports, audits, and corrective action plans by Friday, May 28, 2010 allows the TRWIB one month to conduct monitoring of the City and County.

MONITORING TOOLS FOR JULY 1, 2009 – JUNE 30, 2010

TRWIB will hold a meeting in September of 2009 to gain feedback from the LWIA monitoring tools utilized in PY2009. Changes will then be incorporated into the tool and sent to the City and County.

TRWIB's REPORTING of MONITORING RESULTS

The TRWIB monitoring of the City and County will be completed by Tuesday, June 29, 2010. The TRWIB will advise the City and County of the results of the monitoring prior to June 29, 2010.

If the TRWIB identifies an area(s) of concern within the City and/or County, a corrective action plan must be submitted to the TRWIB within 30 days of the TRWIB notifying the City or County of the results. The City and/or County then have 90 days to document follow-up activities and implement the corrective action. After 90 days, the TRWIB will check to make sure the necessary actions have been implemented.

The TRWIB will report the monitoring findings to the TRWIB Compliance Committee at the July meeting and to the TRWIB Executive Committee at the August meeting. Once the Executive Committee approves the results, a full board report will be presented at the September 2010 board meeting. If either the City or County is working on a corrective action plan, progress will be reported to the Executive Committee and the full TRWIB board on an ongoing basis to make sure the necessary actions has taken place.

If you have any questions regarding the process of fiscal monitoring, please contact Kelleigh Boland at the Three Rivers Workforce Investment Board, 412-552-7094 or kboland@trwib.org.

TIMELINE FOR SECTION 1512 REPORTING REQUIREMENTS

ACTION	TIME
LWIB's must report all Section 1512 and Commonwealth established quarterly data elements; Period February 17, 2009 – September 30, 2009	October 2, 2009
Absolute cut-off to enter all SYEP Participant Data into CWDS for the period of May 1 – Sept 30, 2009	October 6, 2009
State visits local sites on Recovery Act Section 1512 Validation	October 6-20, 2009
LWIBs must report all Section 1512 and Commonwealth established quarterly data elements; Period of February 17, 2009 – December 31, 2009	TBD: January 2010
LWIBs must report all Section 1512 and Commonwealth established quarterly data elements; Period of February 17, 2009 – March 31, 2010	TBD: April 2010
LWIBs must report all Section 1512 and Commonwealth established quarterly data elements; Period of February 17, 2009 – June 30, 2010	TBD: July 2010

TIMELINE FOR FISCAL MONITORING

ACTION	TIME
Meeting with City, County & TRWIB to debrief monitoring tools utilized in PY2008	October 1, 2009
List of all WIA & WIA ARRA contracts to TRWIB	Thursday, November 12, 2009
Written explanation of how risk assessment are scores compiled and actual risk assessment scores	Friday, January 29 2010
Budget of PY08 WIA& WIA ARRA total expenditures to TRWIB	Friday, January 29, 2010
City and County finish monitoring for one contract by each LWIA, chosen by the TRWIB and send copy of contract, finished tools, work papers and monitoring report to TRWIB	Monday, March 15, 2010
City and County send TRWIB list of scheduled contractor meetings and TRWIB begins spot monitoring	Monday, March 29, 2010
Engagement letters sent to City of Pittsburgh and Allegheny County detailing what TRWIB will monitor	April 2010
City and County submit all monitoring reports, audits, monitoring tools, and corrective action plans to TRWIB's Compliance Manager	Friday, May 28, 2010
TRWIB monitoring of City and County completed	Tuesday, June 29, 2010
TRWIB sends results of monitoring to City and County	No later than Tuesday, June 29, 2010
City and/or County submit corrective action plan if applicable	Within 30 days of receiving results from the TRWIB
TRWIB checks with City and/or County to make sure corrective action plan has been implemented if applicable	Within 90 days of receiving the City and/or County's corrective action plan
TRWIB reports monitoring findings to Compliance Committee	July 2010 meeting
TRWIB reports monitoring findings to Executive Committee	August 2010 meeting
TRWIB reports monitoring findings to full board	September 2010 meeting
TRWIB reports update on corrective action plans if applicable to full TRWIB board	November 2010 meeting