



EDUCATION AND LABOR CABINET

Andy Beshear
GOVERNOR

Jamie Link
SECRETARY

Mayo-Underwood Building
500 Mero Street, 3rd Floor
Frankfort, Kentucky 40601
(502) 564-3070

April 5, 2023

Michael Thoroughman, Chair
TENCO Workforce Development Board
Primary Plus
910 Kenton Station Dr.
Maysville, KY 41056

Denise Dials, Workforce Director
TENCO Kentucky Workforce
Development Area
201 Government Street, Suite 300
Maysville, KY 41056

Dear Mr. Thoroughman and Mrs. Dials:

Thank you for your responses to the Workforce Innovation and Opportunity Act Title 1B PY21 Comprehensive Monitoring Report issued on March 21, 2023. Financial finding #2 incorporates disallowed costs requiring a reimbursement of \$263.48 from a non-federal source. Once reimbursement of the overpayment has been received, all findings will be accepted and resolved. While these responses have been accepted, the Cabinet reserves the right to review files of this cohort, as well as all participant files for ongoing compliance purposes.

If you have any questions, please contact Jim Beyea at jim.beyea@ky.gov or email at oetmonitoringteam@ky.gov.

Sincerely,

Jim Beyea
Assistant Director

Attachment(s): TENCO PY21 WIOA Comprehensive Monitoring Review

WIOA Comprehensive Monitoring Review

TENCO LWDB

January 17, 2023

Monitoring of the TENCO Local Workforce Development Area

The TENCO Local Workforce Development Area was monitored by the monitoring team staff on January 23, 2023. Department of Workforce Development (DWD) monitoring staff included Anita Doster, Amanda Cummins, and Donna Burke. The team reviewed Workforce Innovation and Opportunity Act (WIOA) Title 1B programs, specifically Adult, Dislocated Worker (DW), and Youth relating to Program Year 2020. Also, a comprehensive financial review was conducted of all referenced programs.

A closing conference was held on January 24, 2023. A brief review of monitoring was given by Jim Beyea, Anita Doster, Amanda Cummins, and Donna Burke.

The purpose of the monitoring review was to analyze information regarding the above-noted formula programs and grants operated by TENCO's LWDB in order to:

- determine if the programs are meeting their goals and objectives;
- assess whether the programs are operating in accordance with federal, state, and local requirements, and
- identify promising practices.

For purposes of this monitoring review, a finding could denote noncompliance with the following:

- applicable laws and regulations;
- relevant Office of Management and Budget (OMB) circulars;
- uniform administrative requirements;
- state policies and directives; and/or
- local policies and procedures.

The monitoring team appreciates the time and information provided by TENCO's LWDB staff. This report is critical to the continuous improvement of the workforce system leading to better services and outcomes for jobseeker and employer customers.

Title 1B Executive Summary

The following is a description of findings and observations found when monitoring WIOA Title 1B Programs:

The Program monitor(s) identified one (1) finding and one (1) observation, and the financial monitor identified two (2) findings and one (1) observation during the PY21 Comprehensive Monitoring Review. The findings identified within this report are indicative of operational or quality issues worthy of attention and/or follow-up.

A finding requires immediate attention and corrective action, up to and including a corrective action plan. An observation may be a concern that, if left unaddressed, may result in future finding(s). An observation may also be a concern in which a written clarification from the LWDB could alleviate the concern. The operational challenges identified in the observations are related to those activities for which the Commonwealth has a strategy or an initiative, but for various reasons, the action is incomplete or insufficient.

Incorporated in this summary is a list of applicable findings and observations for each program based on the Comprehensive Monitoring Review. Following the summary are the individual program details.

Program Monitoring Summary

Finding(s):

1. Violation of Local Case Note and Data Entry Policy

Observation(s):

- A. WIOA-2 UI Agency Verification missing Class A status

Financial Monitoring Summary

Finding(s):

1. Repeat Violation on Monitoring Reports
2. OJT questioned cost

Observation(s):

- A. Drawdown discrepancy

PROGRAM MONITORING DETAILS

FINDINGS

Finding (1):

Violation of Local Case Note and Data Entry Policy

Issue(s):

Adult: Workforce Case #003451081. One participant is missing required monthly contact during July 2022.

Citation(s):

Workforce Development Board Policy Number 46: Case Note and Data Entry
Case notes should be added within 3 days of a service, activity and/or contact made with the customer and/or on behalf of the customer. Case notes should be relevant to the customer's training plan, services enrolled, and the desired employment and/or educational outcome. Monthly contact is required and if not obtained, a case note detailing the attempts to contact should be included.

Instance(s):

1/14 (7%)

Required Action:

LWDB must ensure that all case notes are completed in KEE Suite at the time of event or contact and should be clear, relevant, and useful that is compliance with the state policy.

LWDB Response:

The TENCO WDB has developed a case note spreadsheet to be implemented by the contractors. Career Counselors will be required to record when a case note has been entered in KEE Suite each month. WDB or Contract staff will review the spreadsheet monthly, at a minimum. The Direct Service Provider will be made aware of the finding and the importance of accurate and timely documentation. The Direct Service Provider will implement a tiered corrective action plan for staff that do not meet the case note and data entry policy.

DWD Response:

DWD accepts LWDB's response. Finding has been resolved.

OBSERVATIONS

Observation A:

Dislocated Worker: Workforce Case #001287319, #003323557 and #003443612, WIOA-2 Verbal CDO UI verification does not indicate Class A status.

Recommendation A:

LWDB should instruct case managers to include Class A status when utilizing WIOA-2 as UI Agency Verification. The WIOA 1-2 Reference guide states, “UI Group “A” classification code claimants are eligible for the Dislocated Worker Program. This group consists of workers who are unemployed and are not subject to definite recall within a period of twelve (12) weeks from the date of filing of the initial or reopened claim. (UI Reference: 787 KAR 1:090, Section 1). A claimant assigned the status of “B” by UI is considered attached to the labor market and, therefore, **NOT** eligible for the Dislocated Worker Program.”

FINANCIAL MONITORING DETAILS

FINDINGS

Finding (1):

Repeat Violation on Monitoring Reports

Issue(s):

The following instances in previous reports regarding missing mapquest are shown below:

1. The PY19 Monitoring Report shows missing mapquest was an observation:

Observation C: TENCO’s Policy No 2 for Supportive Services includes Mileage and Transportation reimbursement. The TENCO Mileage/Child Care Reimbursement Form does not include addresses for Participant or School or Provider nor were MapQuest or Google Map pages attached for confirmation of distance traveled between two points. Monitors could not verify distance.

Recommendation C: Complete addresses should be incorporated into the Mileage/Child Care Reimbursement Form or MapQuest or Google Map pages should be included as supporting documentation.

2. The PY20 Monitoring Report contained a finding for missing mapquest stating, “Missing mapquest in Work Systems”. Drawdown request dated 4/30/2021 has missing mapquest/travel information.

The citation stated, “In reference to 200 KARS 2:006, “Mileage for in-state travel shall be based on “Kentucky Official Highway Map”, MapQuest website, Google Maps website, or similar web mapping service. Out-of-state mileage shall be based on the most recent edition of the “Rand McNally Road Atlas”, MapQuest website, Google Maps website, or similar web mapping service. This issue was an observation in the PY19 report.”

The Required Action stated, “It is recommended for the local area to ensure all required documentation is uploaded into the State system for approval of any drawdown. By having

the required documentation uploaded, this can assist in avoiding any disruption and/or denials of any drawdown requests.”

3. During PY21 monitoring, it was discovered the drawdown dated 12/3/2021 did not have the required travel documentation uploaded into Work System.

Citation(s):

2 CFR 683.220 What are the internal controls requirements for recipients and subrecipients of Workforce Innovation and Opportunity Act title I and Wagner-Peyser Act funds?

(a) Recipients and subrecipients of WIOA title I and Wagner-Peyser Act funds must have an internal control structure and written policies in place that provide safeguards to protect personally identifiable information, records, contracts, grant funds, equipment, sensitive information, tangible items, and other information that is readily or easily exchanged in the open market, or that the Department or the recipient or subrecipient considers to be sensitive, consistent with applicable Federal, State and local privacy and confidentiality laws. Internal controls also must include reasonable assurance that the entity is:

- (1) Managing the award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;
 - (2) Complying with Federal statutes, regulations, and the terms and conditions of the Federal awards;
 - (3) Evaluating and monitoring the recipient's and subrecipient's compliance with WIOA, regulations and the terms and conditions of Federal awards; and
 - (4) Taking prompt action when instances of noncompliance are identified.
- (b) Internal controls should be in compliance with the guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). See 2 CFR 200.303.

In reference to 200 KARS 2:006, “Mileage for in-state travel shall be based on “Kentucky Official Highway Map”, MapQuest website, Google Maps website, or similar web mapping service. Out-of-state mileage shall be based on the most recent edition of the “Rand McNally Road Atlas”, MapQuest website, Google Maps website, or similar web mapping service.

Required Action:

When a local area receives a final compliance monitoring report, they are expected to follow the DWD’s required action and correct the files in Work System that reflect the findings that are listed in their report. LWDB must ensure that required travel documentation is uploaded into the State system, Work Systems, to assist in the avoidance of any denied drawdown requests. It is highly recommended for any contract or staff travel reimbursement request to be denied for reimbursement by the contract holder and/or fiscal agent unless all required documentation, according to the state regs as stated above in this report, is included within the request.

LWDB Response:

<p>The TENCO WDB staff have reinforced that no travel is to be paid until supporting documentation (mapquest or google maps) is produced. Invoices from contractors will be held until</p>

documentation is received. WDB staff will review all invoicing prior to submitting for reimbursement. Staff's travel requests will also be held until documentation is received. The Director will review all travel requests from WDB staff prior to submitting for reimbursement.

DWD Response:

DWD accepts LWDB's response. Finding has been resolved.

Finding (2):

OJT Questioned Cost

Issue(s):

Workforce case #003434354 participated in an OJT and it was discovered three pay periods were reimbursed at 100% for invoice #7 totaling to \$381.32 and invoice #8 was underpaid totaling to \$117.84 with a difference of questioned cost of \$263.48.

Citation(s):

It is stated in the OJT agreement between Buffalo Trace Area Development Distract and Neff Refrigeration Heating & Air Conditioning on page 3 that "Payments shall not be more than 50 percent of the wages paid by the Employer to such participating employee through the expiration date of this contract."

Instance(s):

1/15 (7%)

Required Action:

LWDB must ensure that requirements are met with the contract and the invoicing is reviewed thoroughly to assist in the avoidance of any questioned and/or disallowed cost. Per email received from the workforce director on January 26, 2023, we are in agreement the amount of **\$263.48** is a disallowed cost. This amount will need to be submitted back to the State using **non-federal funds**. Please submit this reimbursement to the following address within 30 days of receiving this report:

Attention: Jim Beyea
500 Mero Street, 4CW, Office #434
Frankfort, KY 40601

Once completed, it is requested to submit a copy of the check to the fiscal monitoring team or include a copy with this report once submitted.

LWDB Response:

The TENCO WDB has provided guidance on the payment for OJT contracts. OJT invoices will be monitored closely by the WDB staff to ensure overpayment does not occur. Buffalo Trace Area Development District will issue a check in the amount of \$263.48 to the Cabinet.

DWD Response:

Once this overpayment has been received, DWD will accept LWDB's response, and this finding will be resolved.

OBSERVATIONS

Observation A:

On drawdown request dated May 13, 2022, a small discrepancy was discovered in a difference of the amount on the drawdown and the backup documentation uploaded into Work Systems.

Recommendation A:

It is highly recommended for the local area to ensure all data entered is correct by having it reviewed prior to submitting for the drawdown request. By having it reviewed, this can assist in avoidance of any potential questioned and/or disallowed cost.

END OF REPORT