Department of Workforce Development

Monitoring Manual

PY2022

Commonwealth of Kentucky

Division of Technical Assistance

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Introduction

Background

The need to understand the critical components of an effective monitoring approach has been consistently raised by Local Workforce Development Boards (LWDB) over many years.

The Workforce Innovation and Opportunity Act (WIOA) requires accountability at all levels of the workforce investment system, and calls for accountability and transparency across government. This monitoring manual spells out the framework for the Department of Workforce Development's (DWD) monitoring system and a foundation for training and capacity building on both the development and execution of a comprehensive monitoring approach. While this monitoring manual is focused on the LWDB's, it can also create a foundation for Boards to monitor their sub-recipients.

The Department of Workforce Developments' approach to monitoring has evolved over grant years. Today's monitoring approach is dynamic with a main focus on process improvement for the Benefit of the Commonwealth of Kentucky.

Framework for Monitoring and Oversight: A Continuous Improvement Process

Understanding the Goals and Values of Monitoring and Oversight:

The goals of monitoring and oversight are numerous, and goes well beyond simply meeting a statutory requirement. Monitoring is a process used to measure progress, identify areas of compliance, offer opportunities for technical assistance to help resolve non-compliance issues, and ensure that Federal funds are used responsibly. While some goals will be unique to each local workforce area, others are universal, and include ensuring:

- Compliance with statute, regulations, grant agreements, and policy
- Fiscal integrity
- Performance goals are achieved
- Effective and high-quality services are being provided
- Continuous improvement and innovation throughout the state and local systems, service design, and delivery
- Achievement of strategic priorities established at the federal, state and local levels

Monitoring can serve as a catalyst that improves future planning, and it identifies needs for funding of additional activities and programs. This is different than a checklist – it is looking for improvements and innovation to help Boards identify opportunities.

Additional detail regarding specific monitoring requirements and the primary goals of monitoring is provided below.

Monitoring to Meet Statutory and Regulatory Requirements

Clear requirements for the monitoring and oversight of workforce programs are included in both the Code of Federal Regulations (CFR) and Uniform Guidance. Oversight guidance is also included in WIOA Final Regulations. These provisions require that all recipients and sub recipients of federal funds must conduct regular oversight and monitoring and includes specific provisions regarding the timing and content of reviews as well as when on-site monitoring is required. Excerpts of those provisions are provided below and in their entirety in the *Appendix: Federal Requirements for Recipient and Subrecipient Monitoring*.

> *"Each Governor of a state shall conduct on an annual basis onsite monitoring of each local area within the state to ensure compliance with uniform administrative requirements." - WIOA sec. 184(a)(4)*
>
> *"The Non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity."*
>
> *~ 2 CFR 200.328(a), Monitoring by the non-Federal entity*

Monitoring to Ensure Compliance and Effectiveness

Monitoring is critical to ensuring that grantees and sub-recipients are administering and operating programs in a manner that is compliant with the intent outlined by statute, regulations, and/or policy. Therefore, it is imperative to have a system and approach to monitoring that can effectively gauge compliance in key areas such as eligibility determination, appropriate and accurate documentation, and access to and delivery of required services. This approach will provide key insight regarding the effectiveness of a local areas' service design and delivery, the quality of service and the outcomes achieved. In other words, monitoring the effectiveness of the system is not optional.

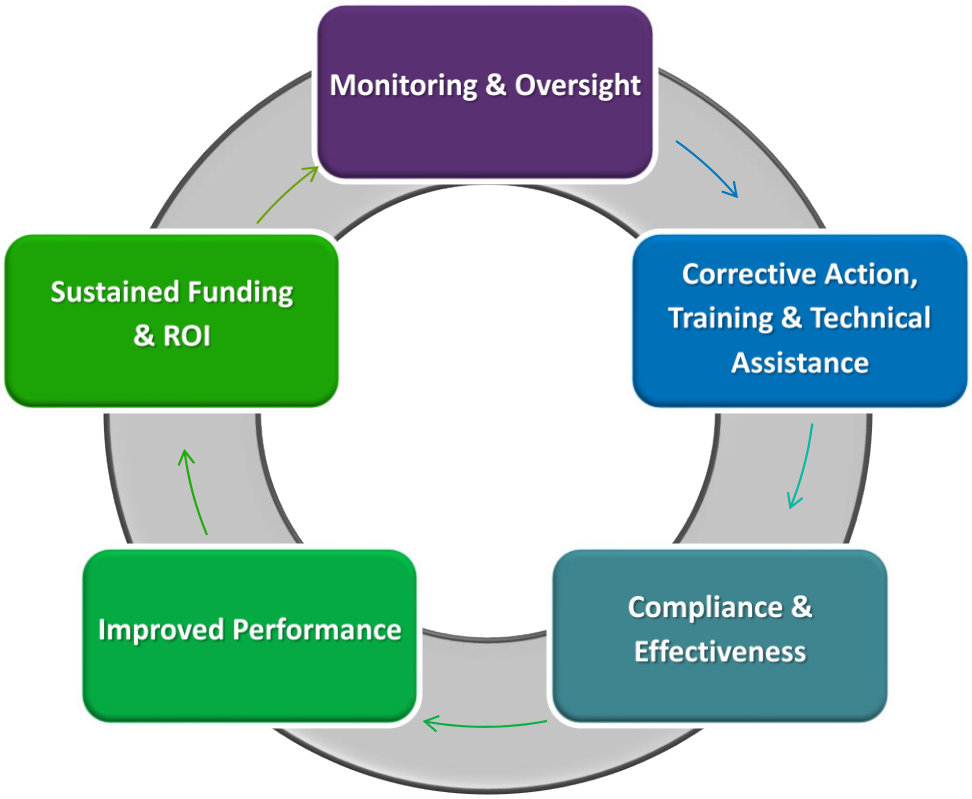
As noted in the citation above from the Code of Federal Regulations, "The Non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements ***and performance expectations are*** being achieved.

The Department of Workforce Development monitoring unit ensures a delicate balanced approach of fulfilling oversight responsibilities while also creating an environment which supports the vision of WIOA and encourages innovation.

Monitoring to Drive Continuous Improvement

Effective monitoring which results in corrective action, technical assistance, and training that supports the sharing of proven strategies and innovative practices can drive performance and continuous improvement within the system. Monitoring drives a continuous improvement cycle which is visually depicted below:

Figure 1: Monitoring Drives Continuous Improvement



Strategic analysis of monitoring results can also help to identify themes across the local system regarding challenges and needs that could be addressed through changes in policy, the provision of technical assistance, or the development and delivery of targeted training.

Monitoring to Advance Strategic Priorities

WIOA requires that State and Local Boards articulate a clear vision and strategic priorities for their workforce system. The Department of Workforce Developments' policy and planning guidance typically conveys these priorities and requires Local Boards to define and develop strategies to advance those priorities locally. It is essential that DWD monitor both – whether the Local Boards have implemented the strategies they laid out in their local plan **and** the effectiveness of their efforts. Implementation of key WIOA strategies, such as sector strategies, regionalism, and career pathways development are required in the law and therefore must be implemented to achieve full compliance. LWDB's can define how to implement these strategies which then must be monitored to ensure operationalization.

The Department of Workforce Developments' planning guidance should include process and/or outcome measures for key WIOA strategies while also allowing local areas to establish additional process and/or outcome measures that may be unique to their local strategies. DWD will monitor these measures and if issues are identified, monitoring can address them through corrective action and/or technical assistance.

Establishing and Sustaining Effective Relationships:

DWD's monitoring is a shared responsibility across the federal, state, and local levels that comprise the workforce system. Although each level has distinct monitoring responsibilities, effective fulfillment of these responsibilities is essential to achieving the shared goals of program, financial, and administrative compliance, and performance excellence. Viewing the system as a partnership helps all involved to understand that quality monitoring and oversight is not intended to be punitive, but is, instead, a critical tool that drives the continuous improvement cycle through assessment, analysis, corrective action, peer sharing, and training. To build and maintain these partnerships, establishing and sustaining effective relationships is critical. Relationship building should begin at the onset, but continued efforts to maintain the partnership must also be part of effective monitoring for DWD.

Figure 2: Monitoring Partnership

Monitoring as a Partnership across Levels to Ensure Compliance and Effectiveness

Working with groups at all levels requires effort, finesse, and skill. Positive relationships go beyond a neutral, one-directional relationship and create a true partnership instead. It is important that the Commonwealth of Kentucky and the LWDB's view monitoring as a vehicle to help their programmatic quality and success versus a "gotcha" moment or a risk of getting in trouble. True partnerships are one in which there are mutual benefits. For monitors and DWD as a whole, there is an opportunity to ensure effectiveness and compliance that

Strengthens local services and the workforce system. For local areas/sub-recipients, there are benefits to monitoring that should be clearly articulated. In fact, articulating the benefits (even if they seem obvious), go a long way in developing partnerships. Some benefits of monitoring include:

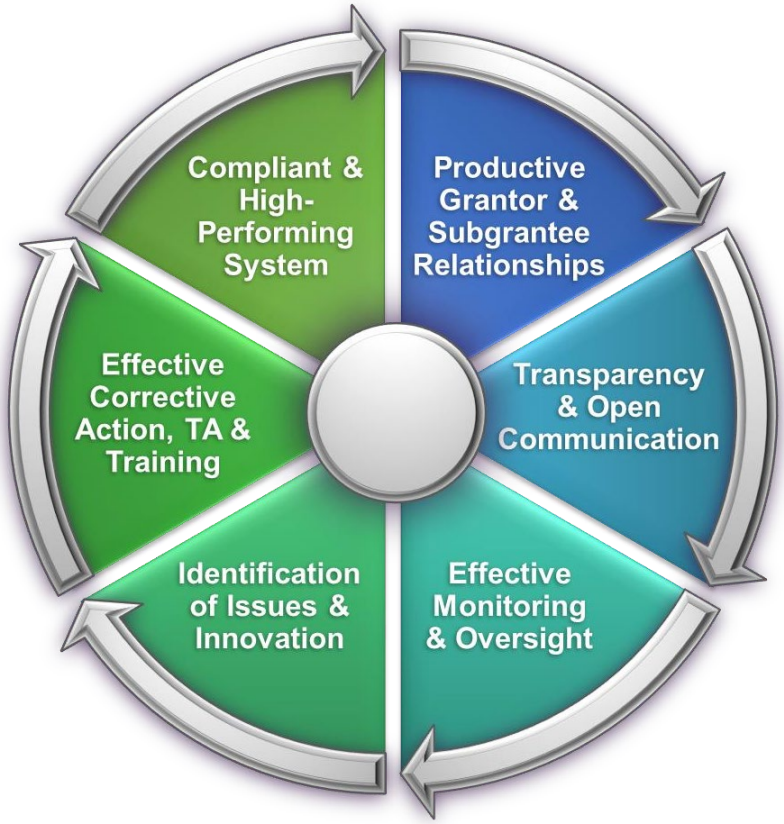
- Early intervention of problems before it is too late
- Coaching and training opportunities
- Stronger/better working relationships and partnerships
- Identification of problems grantees are unaware of
- Opportunity to go beyond the data, which alone can't always tell the whole story – Observations, conversation and analysis are needed
- Opportunity to provide resources
- Drives continuous improvement

Establishing and Maintaining Relationships Based on Trust and Understanding (which supports the early identification and resolution of issues)

Establishing and maintaining relationships requires the DWD monitoring unit to examine their mindset and communication approaches. DWD Monitors should consider the tones they set, how they will manage expectations, and how they will encourage a proactive versus reactive approach to program and fiscal management.

Communication is the foundation for effective monitoring and oversight.

Figure 3: Effective Communication Loop



The process depicted above, which shows consistent and productive communication between DWD monitors and grantees, is the foundation for effective monitoring and oversight. It lays the groundwork for establishing the positive relationships necessary to ensure that monitoring functions are productive. It is important to remember that monitoring is not a perfect science. It can be very difficult to gather complete information if the entity being reviewed is not inclined to be open and transparent. If sub-recipients feel threatened or defensive, their instinct is to minimize the sharing of information or even conceal areas of weakness out of fear. Positive relationships lead to more open communication and transparency which leads to a more complete understanding of operations and the increased likelihood that problems will be identified and resolved.

DWD Monitors have key communication roles when working with the local areas/sub-recipients Including building relationships as discussed above, but being the subject matter experts on their All workforce programs and be the conduit for continuous improvement.

Continuous Monitoring:

Continuous monitoring means that DWD monitoring staff are consistently engaged in various monitoring and oversight activities throughout the year in addition to scheduled on-site monitoring visits. This approach supports the early identification and rapid resolution of issues before they become entrenched or expand in scope.

With continuous monitoring, DWD monitors use available information sources to assess risk for non-compliance or low performance as well as identify trends that may indicate a need to develop and deliver technical assistance and training to address challenges. Based on the results of that regular data analysis, DWD monitors take appropriate next steps such as reaching out for additional information from the local area/sub-recipient or moving up or strategically designing the focus of the next scheduled on-site review to look at the identified red flags.

Monitoring Tools

Monitoring tools support DWD's capacity to effectively execute monitoring and oversight activities by providing structure, organization and guidance that helps monitors collect, analyze, and make assessments regarding both the quantitative and qualitative data.

The table below provides a listing of the current tools (and their purpose) in use by DWD monitoring. This list is a baseline but not exhaustive.

Tool	General Purpose
Monitoring Schedule or Calendar	Lays out all monitoring activities over a specific period of performance, such as a program/fiscal year and helps to keep the monitoring unit on track.
Entrance Conference Agenda	Template that discusses the purpose of the on-site monitoring, what will be reviewed, timelines, processes, and expectations during the monitoring review period.
Exit Conference Agenda	Template that discusses the results of the monitoring in a standard and consistent order. It also discusses the definitions of monitoring terms, next steps, timelines for the receipt of a final report and resolution of any identified issues.
Risk Assessment	Evaluates the individual categories of a program and a local area. Standards and definitions for low, medium, and high risks are defined, along with information on how the risk relates to compliance findings.
Monitoring Report Template	Used by monitors when compiling the final report. It contains standard language, formatting, and layout to ensure consistent communication of findings and best practices back to the local system.

Tool (Continued)	General Purpose (Continued)
Youth Spreadsheet	Comprehensive spreadsheet utilized to monitor the WIOA Youth program.
DW Spreadsheet	Comprehensive spreadsheet utilized to monitor the WIOA Dislocated Worker program.
Adult Spreadsheet	Comprehensive spreadsheet utilized to monitor the WIOA Adult program.
Monitoring Toolkits	Data gathering tools utilized to by DWD monitoring for all workforce programs. The intent is to access pre-monitoring information and target risks against policies and statutes.

All tools are contained within the applicable program year review on the DWD shared drive.

Keeping Monitoring Tools Current with Policy and Technology

Just as policies often require updating, monitoring tools must also be reviewed on a regular basis to ensure they align with current federal and state law, regulations, policy, and priorities. The DWD monitoring unit reviews and updates all tools at least annually or within a defined period of time when changes occur. Keeping monitoring tools current is another reason to ensure consistent and effective communication between programs, fiscal, performance, and policy staff within the state agency as changes in any of those areas may trigger a need to update monitoring tools.

DWD Monitoring Overview:

The scope of DWD on-site monitoring is determined by federal requirements and the state based on analysis done through continuous monitoring activities. The table below depicts the primary areas of focus typically used by federal and state monitors and the types of documents, activities and services that are covered in an on-site review (although portions may be conducted off-site if feasible).

Categories	Documents, Activities, and Services to Monitor
Service Design & Delivery	Board membership, meeting minutes, state/local plan, policies, contracts with sub-recipients, Memoranda of Understanding, one-stop operator agreements, past monitoring reports, staff interviews, programmatic policies and procedures, participant files and case notes, enrollments, eligibility documentation, intake process, employment plan, participant's progress, client expenditures, training activities and documentation, allowable activities, service delivery, services received, follow-up activities, past TA requests, grant requirements, staff interviews, etc.
Grant Operations	Property management documents (rental/leasing agreements, insurance coverage, real property/equipment purchases, etc.), sub-recipient management & oversight documents, records management documents, personnel documents, real-time performance data, real-time performance data, performance trends over time, performance indicators, expenditure levels, staff interviews, etc.
Financial Management	Financial and administrative policies and procedures, general ledgers, transactions, overall financial system, expenditure reports, past monitoring reports, contractual agreements with financial commitments, sub-recipient audits, single audit reports, cost allocation, cost sharing and infrastructure agreement, cash management, purchasing, contracting, equipment, property management, staff interviews, etc.

Preparation for On-site Monitoring

The on-site monitoring process begins long before the scheduled dates. The following steps are used by DWD in preparation for conducting the on-site monitoring visit:

- Use the results of continuous monitoring (risk assessments, desk reviews, etc.) and communication across state units/staff to develop a strategy and focus for the on-site review. The data analysis may indicate a need to visit certain locations and providers, request additional documents, inform the file sample, and/or probe deeper into identified red flags.
- Notify the local area/sub-recipient of the monitoring visit including the purpose, scope, documentation and interview requirements, and any planned activities while on-site to ensure they can properly prepare for the review.

- Complete portions of the review that can be done prior to traveling on-site such as reviewing governance structure, policies/procedures, performance, and expenditure reports, etc.
- Work with the local area/sub-recipient to establish and finalize a schedule that breaks down the time on-site by area of focus and activity (entrance meeting, tour(s), interviews, file reviews, etc.).

Monitoring Review Process

DWD utilizes a hybrid of virtual, onsite and desktop reviews. DWD shall utilize monitor review plans and guides to conduct objective system and program evaluations. These guides may be amended as regulatory changes occur. The monitor review may be conducted through desktop evaluation, onsite evaluation, remote access or a combination process.

DWD is authorized to monitor any entity receiving Workforce Innovation and Opportunity Act (WIOA) funds, Wagner-Peyser, Trade (TAA), JVSG (Vets), Reemployment Services and Eligibility Assessment Grant (RESEA), the Office of Employer and Apprenticeship Services (OEAS), and any other office under the purview of the Department of Workforce Devlopment. The review may include examining program records, questioning employees, interviewing participants and entering any site or premise which receives the aforementioned funds.

Random sample techniques will be used to perform the review of program records. The goal is to select a sample pool equal to 10% of the number of total participants during the program year through review period and may include up to 100% of the record universe if the universe is small or if problems are identified during the review. Sample pools may be adjusted based on results and consistency of records inspected at the discretion of the program/fiscal monitor.

Entrance and exit interviews shall be conducted with the applicable entity being monitored.

Programs and Systems

The oversight goal is to examine the following programs and systems at least once annually. Neither DWD nor the monitor, Office of General Counsel, are limited to this list and may review other areas as necessary or upon request. Areas of review may be conducted as a standalone review or incorporated into other monitoring reviews.

1. **Governance**
   - Workforce Development Board

2. **Financial**
   - Financial Management Systems – Accountability and Internal Controls
   - Procurement
   - Ensure Travel Is In Line With State Guidance and/or Contract Language
   - Ensure expenditures are Reasonable, Allowable and Allocable

3. **One-Stop System**

4. **Program (Adult/Dislocated Worker/Youth)**

   - Delivery:
     - ✓ Program Design
     - ✓ Participant Eligibility Determination and Documentation
     - ✓ Participant Priority Documentation
     - ✓ Participant Assessment and Referral
     - ✓ Outreach and Recruitment
     - ✓ Career Planning
     - ✓ Activities
     - ✓ Supportive Service
     - ✓ Follow-up Services
     - ✓ Exits
     - ✓ Record Creation and Maintenance

   - Training:
     - ✓ Eligibility for Training Services
     - ✓ On-the-Job Training
     - ✓ Occupational Skills Training
     - ✓ Incumbent Worker Training
     - ✓ Workplace training combined with related instruction
     - ✓ Private Sector Training
     - ✓ Skill Upgrading and Retraining
     - ✓ Entrepreneurial training
     - ✓ Transitional Jobs
     - ✓ Pre-Apprenticeship Programs (Youth Only)
     - ✓ Internship/Job Shadowing (Youth Only)
     - ✓ Job Readiness in combination with other training services
     - ✓ Adult Education and Literacy activities
     - ✓ Customized Training
     - ✓ Individual Training Accounts
     - ✓ Eligible Training Providers

5. Reporting

- Management Information System timelines and accuracy
- Follow Up Systems
- Tracking and reporting of mandated expenditure percentages
- Tracking and reporting of maximum expenditure percentages

6. Additional Areas

- Equal Opportunity/Nondiscrimination
- Grievances or Complaints of a Nondiscriminatory and Noncriminal Nature

Monitoring Reports

The DWD Monitoring unit shall issue an electronic monitoring report and forward it to the administrative entity monitored within 30 days of the completion of the review. Copies of reports will be distributed to the Chief Elected Official, Workforce Development Board Chair, Workforce Development Board Director, Commissioner of DWD, Career Development Office Executive Director. DWD Monitoring reserves the right to edit The distribution list as necessary.

Communicating Findings, Observations, Corrective Action and Effective Practices

The first step in resolving issues is effectively communicating them to the local Area/sub a recipient. This is done both verbally and in writing through monitoring reports and potentially also in email or other correspondence.

The following are definitions for the key terms typically used in monitoring reports. These definitions should be fully understood by state monitors and the local areas/sub-recipients.

- A **Finding** is a violation of a specific compliance requirement contained in law; regulations; national policies; FOA; Uniform Guidance or OMB Circulars; the grant terms and conditions; ETA policy guidance, including Training and Employment Guidance Letters (TEGLs); and/or the grant agreement. A citation is readily available from one of those sources outlining the requirement and corrective action is required to resolve the finding.
- An **Observation** is used when there is a potential issue, challenge, or situation identified that does not yet violate one of the sources listed above, but left unchecked, could elevate to a finding or, at a minimum, negatively impact outcomes. Reports typically include a recommendation to address the situation at hand.

- An **effective or best practice** is a strategy, approach, process, or product in one or more key areas of implementation: governance, administration, service design and delivery, etc. that is sufficiently effective and/or innovative to warrant highlighting in the report.

If corrective action is required as a result of the monitor review, the entity must submit a corrective action plan in writing to the DWD Monitoring Unit within 30 days of the receipt of the monitor report. The corrective action plan shall identify the action steps that the entity has or will initiate to correct the problem, estimated date the problem will be resolved, and how the local board shall be involved in addressing the issues.

The DWD Monitoring Unit will review all corrective action plans submitted and evaluate the content of the plan to determine if it is sufficient to reasonably result in resolution of the finding. A written statement will be issued within ten (10) working days acknowledging receipt, approving Plan, resolving findings or requiring additional action. The local area may request an in person meeting with the specialist to discuss any corrective action plan which is not accepted for resolution.

The entity may be required to provide a monthly progress report during any month that a corrective action plan implementation is pending, incomplete or was not accepted as sufficient to achieve resolution. Reports are a means to track pending corrective action plans and accepted corrective action plans to full implementation. This report will describe the progress the entity has made in the past month toward correcting those problems identified in the review findings and additional action steps planned, if any. In the event it is determined by DWD Monitoring that an entity is either unable or unwilling to resolve issues of a review through the corrective action process, a referral will be made to the Commissioner of DWD for action. The request will provide notification that resolution is not possible through the monitoring system, a summary of the findings, steps to date of referral and supporting references and guidance; DWD Monitoring may make recommendations, however, final action is determined by the recipient of the referral. The Commissioner, as the Governor's designee, may take any action he or she determines appropriate to resolve such as reviewing conflicting monitor finding(s) and local area written supported position(s), mandated technical assistance or any action described in WIOA Sec. 184(b) to assist the local area in achieving compliance.

Inappropriate and/or unsupported expenditures identified as the result of monitoring or otherwise, including those due to a failure to accurately determine and/or sufficiently document eligibility or other issues impacting allowability will be questioned or disallowed costs. The administering entity will be notified of questioned cost and if not resolved will then be disallowed costs. Said Disallowed expenditures will be paid from a non-federal source to DWD Monitoring.

Both review findings and questioned/disallowed costs will be considered in evaluating whether a substantial violation of standards; sanctions and fiscal controls may be imposed according to WIOA sections 184(b) and (c) by the Governor or his designee. These actions may be appealed to the Secretary of Labor in accordance with section 184(b) (2). At the discretion of DWD, Office of General Counsel or upon request of the Commissioner of DWD, State Board or State WIOA Administrator, further reviews may be implemented. DWD reserves the right to conduct Unannounced or unscheduled monitor reviews as determined appropriate by DWD Monitoring.

2CFR Subpart F Single Audit Monitoring (formerly a-133)

2 CFR Subpart F, lays out the foundation and law surrounding local area single audits and monitoring at the state level of those audits. The process is as follows:

- Local Areas have until 03/31 (annually) to upload their audits to the Federal Audit Clearinghouse.
- DWD Monitoring ensures all areas have uploaded their single audits by 03/31.
  Clearinghouse Site: https://facdissem.census.gov/SearchA133.aspx
- DWD Monitoring reviews the audits with the primary focus on findings, corrective action plans, any risk indicators, issued opinions and internal control/compliance deficiencies noted. Start date is 03/31 annually, however, DWD Monitoring continuously checks the Clearinghouse as some areas upload prior to the deadline. These audits are quick checked for pertinent information, but the formal process will not start until the 03/31 submission deadline.
- ☐ DWD Monitoring will follow up with the local areas on any issues uncovered through the audit.
- ☐ DWD Monitoring builds out the single audit information on the "Subpart F Single Audit Review" Spreadsheet. This is performed for each local area.
- ☐ Information gathered from the Single Audit Review spreadsheet is then built into the risk assessment form.

Buy American Act (BAA)

Additional scope of DWD's monitoring efforts will focus on the LWDB's purchase of products Manufactured in the United States of America. Thus, no funds made available under WIOA Title I (only for DWD monitoring purview) may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 8301 through 8303 of title 41, United States Code (formerly Known as the "Buy America Act").

DWD will require the LWDB's to include the "country of origin" or "made in the U.S." within their asset inventory list.

Developing and Delivering Technical Assistance and Non-WIOA Monitoring

Monitoring is a partnership where each party supports the achievement of common goals – compliance and effectiveness. Through technical assistance and training, DWD's Division of Technical Assistance plays a significant role in ensuring issue resolution and continuous improvement at the service delivery level.

What exactly is technical assistance? The term appears throughout federal legislation, and, although it is not officially defined, it is typically clarified with terms such as:

- Training
- Assistance with developing improvement plans
- Sharing of effective practices
- Coordination and support

It is important to note that the identification of effective or best practices through monitoring becomes especially important when delivering technical assistance. Those effective practices become strong technical assistance tools to benefit other local areas/sub-recipients who may be able to apply and replicate (sometimes with some tweaking) to improve their own outcomes. DWD shall encourage local areas and other monitored entities to ensure staff on all levels learn about identified best practices and have the ability to access in-depth information about those strategies through write-ups, peer sharing or other effective methods.

Non-WIOA Monitoring: DWD Monitoring will engage in Non-WIOA monitoring of grants as they are awarded. Our process toward these awards are as follows:

- Thoroughly review the grant terms and conditions and/or MOA established as a result.
- Review the Scope of Services outlined within the grant and ensure the stated work is complete and accurate.
- Review payment of services toward the Scope of Services and ensure all payment(s) fall within an allowable framework.
- Conduct interviews with providers and participants, if applicable.
- Review the goals and any deliverables of the award, outside of the scope of services, are met.
- Conduct on-site reviews, if applicable.
- DWD Monitoring will adhere to strict internal controls as with all monitoring and retain all records related to monitoring efforts.

Appendix: Federal Requirements for Recipient and Sub-Recipient Monitoring

20 CFR 683.410

(a) Each recipient and sub-recipient of funds under title I of WIOA and under the Wagner-Peyser Act must conduct regular oversight and monitoring of its **WIOA** and Wagner-Peyser Act program(s) and those of its sub-recipients and contractors as required under title I of WIOA and the Wagner-Peyser Act, as well as under **2 CFR part 200**, including **2 CFR 200.327**, **200.328**, **200.330**, **200.331**, and Department exceptions at **2 CFR part 2900**, in order to:

(1) Determine that expenditures have been made against the proper cost categories and within the cost limitations specified in WIOA and the regulations in this part;

(2) Determine whether there is compliance with other provisions of WIOA and the WIOA regulations and other applicable laws and regulations;

(3) Assure compliance with **2 CFR part 200**; and

(4) Determine compliance with the nondiscrimination, disability, and equal opportunity requirements of sec. 188 of WIOA, including the Assistive Technology Act of 1998 (**29 U.S.C. 3003**).

(b) State roles and responsibilities for grants under secs. 128 and 133 of **WIOA**:

(1) The Governor is responsible for the development of the state monitoring system. The Governor must be able to demonstrate, through a monitoring plan or otherwise, that the state monitoring system meets the requirements of paragraph (b)(2) of this section.

(2) The state monitoring system must:

(i) Provide for annual on-site monitoring reviews of local areas' compliance with **2 CFR part 200**, as required by sec. 184(a)(3) of **WIOA**;

(ii) Ensure that established policies to achieve program performance and outcomes meet the objectives of WIOA and the WIOA regulations;

(iii) Enable the Governor to determine if sub-recipients and contractors have demonstrated substantial compliance with WIOA and Wagner-Peyser Act requirements;

(iv) Enable the Governor to determine whether a local plan will be disapproved for failure to make acceptable progress in addressing deficiencies, as required in sec. 108(e) of **WIOA**; and

(v) Enable the Governor to ensure compliance with the nondiscrimination, disability, and equal opportunity requirements of sec. 188 of **WIOA**, including the Assistive Technology Act of 1998 (**29 U.S.C. 3003**).

(3) The state must conduct an annual on-site monitoring review of each local area's compliance with **2 CFR part 200**, as required by sec. 184(a)(4) of **WIOA**.

(4) The Governor must require that prompt corrective action be taken if any substantial violation of standards identified in paragraph (b)(2) or (3) of this section is found.

(5) The Governor must impose the sanctions provided in secs. 184(b)-(c) of **WIOA** in the event of a sub-recipient's failure to take required corrective action required under paragraph (b)(4) of this section.

(6) The Governor may issue additional requirements and instructions to sub-recipients on monitoring activities.

(7) The Governor must certify to the Secretary every 2 years that:

(i) The state has implemented **2 CFR part 200**;

(ii) The state has monitored local areas to ensure compliance with **2 CFR part 200**, including annual certifications and disclosures as outlined in **2 CFR 200.113**, Mandatory Disclosures. Failure to do so may result in remedies described under **2 CFR 200.338**, including suspension and debarment; and

(iii) The state has taken appropriate corrective action to secure such compliance.