REGION VII WORKFORCE DEVELOPMENT BOARD
Fiscal Monitoring and Evaluation Policy

Policy Area: Oversight and Monitoring
Effective Date: June 11, 2026
Reviewed Annually
Approved By: Region VII Workforce Development Board

1. Purpose

The purpose of this policy is to establish the monitoring, oversight, evaluation, and corrective action procedures utilized by the Region VII Workforce Development Board (LWDB) to ensure compliance with the Workforce Innovation and Opportunity Act (WIOA), Uniform Guidance requirements, WorkForce West Virginia policy, and all applicable federal and state laws and regulations.

This policy establishes a risk-based monitoring framework designed to ensure effective stewardship of public funds, accountability for performance outcomes, compliance with administrative and programmatic requirements, protection of participant rights, and continuous improvement of workforce services throughout the Region VII Workforce Development Area.

2. Authority and References

This policy is issued pursuant to the following authorities:

- Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128
- WIOA Section 107(d)(8) – Local Board Oversight Responsibilities
- WIOA Section 184 – Administrative Provisions
- WIOA Section 188 – Nondiscrimination and Equal Opportunity
- 20 CFR §683.410 – Oversight and Monitoring
- 20 CFR §683.420 – Resolution of Findings
- 29 CFR Part 38 – Equal Opportunity and Nondiscrimination
- 2 CFR §200.303 – Internal Controls
- 2 CFR §200.331 – Subrecipient and Contractor Determinations
- 2 CFR §200.332 – Requirements for Pass-Through Entities
- 2 CFR §200.334 – Record Retention
- 2 CFR §200.521 – Management Decision on Audit Findings
- TEGL 23-19 Change 2
- Applicable WorkForce West Virginia monitoring and oversight policies, procedures, technical assistance guidance, and operating instructions.

3. Scope

This policy applies to all Region VII Workforce Development Board staff, fiscal agents, subrecipients, contractors, service providers, one-stop operators, and any entity receiving WIOA Title I funds administered through the Region VII Workforce Development Board.

This policy applies to all WIOA Adult, Dislocated Worker, Youth, statewide initiatives administered locally, and any additional federal workforce grants administered by Region VII. This includes review of service delivery, participant files and outcomes to ensure compliance with WIOA program and contract requirements.

4. Definitions

Subrecipient: A non-federal entity receiving WIOA funds to carry out a programmatic function or service on behalf of the Region VII Workforce Development Board.

Contractor: An entity receiving WIOA funds to provide specific goods or professional services under defined procurement terms and conditions.

Finding: A documented violation of federal law, state policy, local policy, contract requirements, or internal control requirements requiring corrective action.

Concern: An issue or operational weakness that does not currently rise to the level of a formal finding but could result in future noncompliance if not corrected.

Questioned Cost: A cost identified during monitoring for which additional documentation or clarification is required to determine allowability.

Disallowed Cost: A cost determined to be unallowable under federal, state, or local requirements and subject to repayment or recovery.

Corrective Action Plan (CAP): A written response submitted by the monitored entity outlining actions, timelines, and responsible staff for resolving findings.

Risk Assessment: A structured process used to determine the level, scope, and frequency of monitoring based upon identified fiscal, administrative, operational, and performance risk indicators.

5. Entity Classification Requirements

Prior to the execution of any subaward, contract, memorandum of understanding, or provider agreement, the Region VII Workforce Development Board shall conduct and document a case-by-case determination regarding whether the entity is classified as a subrecipient or contractor in accordance with 2 CFR §200.331.

Region VII shall utilize the state-required "Appendix A: Subrecipient vs. Contractor Determination Tool" as part of the official procurement and monitoring record. Existing providers shall be reviewed and classified immediately upon implementation of this policy.

Completed classification determinations shall be maintained alongside procurement records, contracts, monitoring files, and annual monitoring documentation.

6. Annual Monitoring Plan

The Region VII Workforce Development Board shall develop and maintain a written Annual Monitoring Plan for each Program Year.

The Annual Monitoring Plan shall include, at minimum:
1. A complete listing of all monitored entities;
2. Entity designations as subrecipient or contractor;
3. Assigned risk levels;
4. Planned monitoring activities and review types;
5. Estimated monitoring dates or review periods; and
6. Assigned monitoring staff.

The completed Risk Assessment Tool and Subrecipient vs. Contractor Determination Tool shall be maintained as part of the official Annual Monitoring Plan documentation.

The monitoring plan may be revised throughout the year based upon changes in risk, performance deficiencies, complaints, audit findings, staffing changes, procurement actions, or directives issued by WorkForce West Virginia or the U.S. Department of Labor.

7. Risk-Based Monitoring Framework

Region VII shall utilize a risk-based monitoring methodology consistent with state policy and federal oversight requirements.

The Region VII Workforce Development Board shall utilize the state-provided "Subrecipient Risk Assessment Tool and Monitoring Frequency Matrix (Appendix C)" to determine the appropriate scope, depth, and frequency of monitoring activities.

Risk factors may include:
- Prior monitoring findings;
- Fiscal instability;
- Staff turnover;
- Single audit findings;
- Performance deficiencies;
- Timeliness and accuracy of reporting;
- Volume of expenditures;
- Participant complaint history;
- Procurement concerns;
- Internal control weaknesses;
- New provider status; and
- Failure to timely implement corrective actions.

Entities identified as high risk may receive enhanced oversight, additional technical assistance,

increased file sampling, more frequent desk reviews, or additional on-site monitoring visits. Low-risk entities may receive limited scope or desk-based monitoring activities where appropriate.

8. Monitoring Areas and Administrative Domains

Monitoring activities may include, but are not limited to:

- Programmatic compliance reviews;
- Fiscal monitoring;
- Participant file reviews;
- Data validation;
- Internal control assessments;
- Procurement reviews;
- Performance evaluations;
- Equal Opportunity (EO) and ADA compliance;
- Priority of Service compliance;
- Conflict of Interest evaluations;
- Supportive service reviews;
- Training contract reviews;
- Follow-up service reviews;
- Case management documentation reviews;
- Eligibility determinations; and
- Record retention compliance.

Monitoring may occur through:

- On-site reviews;
- Desktop reviews;
- Data system analysis;
- Participant interviews;
- Staff interviews;
- Financial reconciliations;
- Observation of service delivery; and
- Review of policies, procedures, contracts, invoices, and supporting documentation.

9. Contractor Oversight

Contractors shall be monitored separately from subrecipients using procurement and deliverable-based oversight methodologies.

Contractor oversight shall include:

- Verification that procurement actions complied with federal, state, and local procurement standards;
- Review of contract deliverables;
- Review of invoices and unit costs;
- Verification that services were performed in accordance with the Statement of Work (SOW);
- Review of contractor performance measures; and
- Verification of payment accuracy and contract compliance.

Contract monitoring shall focus on contract performance, deliverables, and procurement integrity rather than subrecipient program administration requirements.

10. Monitoring Frequency and Notification

Programmatic, fiscal, and administrative monitoring shall occur no less than annually for subrecipients unless adjusted through the approved risk-based monitoring methodology.

Routine monitoring reviews shall generally require formal written notification no less than fourteen (14) calendar days prior to the commencement of the review. The notification shall include:

- Scope of review;
- Review dates;
- Requested documentation;
- Monitoring staff assigned; and
- Anticipated entrance and exit conference information.

Region VII reserves the right to conduct unannounced or limited notice reviews where fraud, abuse, health and safety concerns, complaints, data integrity concerns, or other significant risks are identified.

11. Data Validation and Participant File Reviews

Region VII shall conduct participant file reviews and data validation activities to ensure:

- Eligibility documentation supports participant enrollment;
- Services are properly documented;
- Case notes accurately reflect service delivery;
- Supportive service documentation is complete;
- Measurable skill gains and credentials are properly documented;
- Exit and follow-up requirements are met; and
- Data entered into the Management Information System (MIS) is accurate, timely, and supported by source documentation.

Data validation findings shall be documented and corrective action shall be tracked through resolution.

12. Fiscal Oversight and Internal Controls

Fiscal monitoring activities shall include evaluation of:

- Allowable costs;
- Cash management procedures;
- Financial reporting;
- Payroll documentation;
- Procurement standards;
- Separation of duties;
- Inventory controls;
- Training expenditures;
- Supportive service payments;

- General ledger reconciliations;
- Audit reports; and
- Internal control systems.

Region VII shall ensure that monitored entities maintain effective internal controls in accordance with 2 CFR §200.303.

13. Questioned and Disallowed Costs

Costs identified during monitoring that lack sufficient supporting documentation or require additional clarification shall initially be classified as Questioned Costs.

Entities shall be provided a reasonable cure period, generally not to exceed thirty (30) calendar days, to provide additional documentation or corrective information.

If the entity fails to adequately resolve the issue within the designated timeframe, the cost may be escalated to a Disallowed Cost and become subject to repayment, recovery, offset, or other administrative action.

Region VII shall consult with WorkForce West Virginia fiscal staff when disallowed costs are identified or when repayment actions may be required.

14. Corrective Action and Resolution

Monitoring reports shall identify findings, concerns, technical assistance recommendations, and required corrective actions.

Entities receiving findings shall submit a written Corrective Action Plan (CAP) within the timeframe established by Region VII, generally not to exceed thirty (30) calendar days from issuance of the monitoring report.

Corrective Action Plans shall include:
- Root cause analysis;
- Specific corrective actions;
- Responsible staff;
- Completion timelines; and
- Documentation supporting resolution.

Region VII shall track all findings through final resolution and may conduct follow-up reviews to verify implementation of corrective actions.

15. Audit Resolution Requirements

Region VII shall issue written management decisions on audit findings no later than six (6) months following acceptance of the audit report in accordance with 2 CFR §200.521.

All audit findings, questioned costs, corrective actions, and resolutions shall be documented and maintained within the official monitoring file.

16. Technical Assistance and Continuous Improvement

Monitoring activities are intended not only to identify deficiencies but also to promote continuous improvement and strengthen local workforce service delivery.

Region VII staff may provide technical assistance, policy clarification, training, corrective guidance, and operational recommendations throughout the monitoring process.

17. Confidentiality and Record Retention

All monitoring records, participant information, financial documents, and investigative materials shall be maintained in accordance with WIOA confidentiality requirements and applicable record retention standards under 2 CFR §200.334.

Monitoring records shall be retained for no less than three (3) years following final closeout of the applicable grant award unless a longer retention period is required due to litigation, audit, investigation, or state directive.

18. Policy Review

This policy shall be reviewed annually and updated as necessary to ensure alignment with federal regulations, WorkForce West Virginia guidance, U.S. Department of Labor directives, and operational best practices.

19. Signatures

T.J. Van Meter, Executive Director — Date: 6-11-26

Layne Diehl, Chairperson Region VII WDB — Date: 6-11-26

Appendix A - Subrecipient vs. Contractor Determination

Enity Name:_____

Contract/Subaward Number:_____

Program:_____

Instructions: *Federal regulation (2CFR 200.331) requires a case-by-case determination. Check all that apply. No single point here makes the final decision on its own. Your determination should be based on which category describes the relationship best overall.*

Subrecipient indicators (check if yes)

- o Determines who is eligible to receive WIOA services
- o Has its performance measured against WIOA primary indicators of performance
- o Has responsibility for programmatic decision-making
- o Is responsible for adherence to applicable WIOA program requirements
- o Uses the Federal funds to carry out a program for public purpose

Contractor Indicators (check if yes)

- o Provides goods or services within normal business operations
- o Provides similar goods or services to many different purchasers
- o Is not subject to WIOA compliance requirements as a result of the agreement (though must still adhere to contract terms)
- o Paid based on deliverables or unit cost

Final Determination (check one)

- o Subrecipient (Subject to full monitoring and Single Audit requirements if over threshold)
- o Contractor (Subject to procurement standards and contract oversight)

Justification Narrative:

_____
_____
_____
_____
_____

Prepared by:_____ **Date**:_____

Approved by:_____ **Date**:_____

Appendix B – Annual Monitoring Plan Template

This appendix form shall be utilized as part of Region VII Workforce Development Board monitoring and oversight activities.

Entity Name	Classification	Risk Level	Monitoring Type	Review Period	Assigned Staff	Status/Notes

Appendix C – Risk Assessment Tool and Monitoring Frequency Matrix

This appendix form shall be utilized as part of Region VII Workforce Development Board monitoring and oversight activities.

CONTRACTOR NAME: _____

Score each factor according to the rubric below. Enter the score and justification. Total score determines the risk level.

Risk Factor	Rubric	Score	Comments/Required Action
Prior Monitoring Findings	0=None 1=Minor/resolved 3=Repeated/significant		
Single Audit Results	0=None/Not Required 1=Minor/Non-WIOA 3=WIOA/Material Findings		
Financial Stability	0=Strong 1=Moderate Concerns 3=Unstable		
Staff Capacity/Turnover	0=Stable 1=Moderate Changes 3=High Turnover		
Experiencewith WIOA/Federal Funds	0=3+ years 1=1-3 years 3=New		
Size of Award	0=<250K 1=250K-1M 3=>1M		
Complexity of Services	0=Basic 1=Moderate 2=High Complexity		
Performance Outcomes	0=Meets/Exceeds 1=Slightly Below 3=Significantly Below		

Reporting Accuracy/Timeliness	0=Consistent 1=Occasional issues 3=Frequent issues		

Total Score:_____

Risk Level:
0-4 = LOW
5-10 = MEDIUM
11+ = HIGH

Final Risk Level:_____

Frequency Level	Desktop Spot Monitoring (Minimum)	On-site/Remote Full Monitoring (Minimum)
LOW	Annually	Annually
MEDIUM	Semiannually	Annually
HIGH	Quarterly	Semiannually

Monitoring Frequency:_____

Reviewer Name:_____ Date:_____

Monitoring Frequency is subject to change depending on previous results

Appendix D – Corrective Action Plan Template

This appendix form shall be utilized as part of Region VII Workforce Development Board monitoring and oversight activities.

Finding	Corrective Action	Responsible Staff	Due Date	Resolution Status

Appendix E – Questioned and Disallowed Cost Log

This appendix form shall be utilized as part of Region VII Workforce Development Board monitoring and oversight activities.

Cost Item	Amount	Questioned/Disallowed	Date Identified	Resolution Status	Notes