

Policy Area: Oversight and Monitoring	
Title: Local Workforce Board Oversight and Monitoring Responsibilities	Number: OAM-LOR-26-V1
Effective Date: March 24, 2026 Revision Date(s):	<i>Scott A Adkins</i> Approved by:
Review by Date: March 24, 2027	2026-03-25 Approval Date:

Purpose

The purpose of this policy is to establish the roles, responsibilities, and minimum requirements for Local Workforce Development Boards (LWDBs) in conducting monitoring and oversight of subrecipients and contractors funded under the Workforce Innovation and Opportunity Act (WIOA).

This policy ensures WIOA funds are administered in accordance with applicable federal and state requirements, internal controls are maintained, performance and financial reporting are reliable, and deficiencies are identified and corrected in a timely manner.

Background

The Workforce Innovation and Opportunity Act (WIOA) establishes a framework for accountability, transparency, and performance across the public workforce system. Under WIOA, Local Workforce Development Boards (LWDBs), in partnership with the Chief Elected Official (CEO), are responsible for oversight of programs, activities, and the use of funds within their local areas. This includes ensuring that subrecipients and contractors operate in compliance with applicable federal statutes, regulations, state policies, and local procedures.

WIOA assigns LWDBs the responsibility to oversee the use of WIOA funds and the delivery of services within the local workforce development area. Federal regulations at 20 CFR §683.410 require ongoing oversight and monitoring to ensure compliance with WIOA requirements and the proper expenditure of funds.

The Uniform Administrative Requirements at 2 CFR Part 200 require pass-through entities, including LWDBs, to monitor the activities of subrecipients to ensure that federal awards are used for authorized purposes and in accordance with applicable laws, regulations, and the terms and conditions of the award. Effective monitoring is a critical component of sound fiscal and programmatic management. It helps ensure:

- Compliance with federal and state requirements
- Proper stewardship of public funds
- Accurate reporting of performance outcomes
- Timely identification and correction of deficiencies
- Continuous improvement in service delivery

Federal regulations require monitoring to be conducted using a risk-based approach, evaluating the level of risk associated with each subrecipient or contractor and adjusting the scope and frequency of oversight accordingly.

As the state administrative entity for WIOA Title I programs, the State Workforce Agency (SWA) is responsible for issuing policy and guidance to ensure consistent implementation of monitoring requirements across all local workforce development areas. This policy establishes the minimum standards and expectations for LWDB oversight.

Scope

This policy applies to:

- All LWDBs receiving WIOA Title I funds
- Fiscal agents
- Subrecipients
- Contractors and vendors funded in whole or in part with WIOA funds tasked with the **delivery of specific goods or professional services** as defined by a Statement of Work (SOW).

Entities must be classified as subrecipients or contractors on a case-by-case basis in accordance with 2 CFR §200.331.

References

- WIOA §107(d)(8) – Local board oversight
- WIOA §184 – Administrative provisions
- WIOA §188 and 29 CFR Part 38 – Nondiscrimination and Equal Opportunity
- 20 CFR §683.410 – Oversight and monitoring
- 20 CFR §683.420 –Resolution of findings
- 2 CFR §200.303 – Internal controls
- 2 CFR §200.331 – Subrecipient vs contractor determination

- 2 CFR §200.332 – Pass-through entity requirements
- 2 CFR §200.334 – Record retention

Definitions

Subrecipient: A nonfederal entity that receives WIOA funds from a LWDB to carry out a program or service.

Contractor: An entity that receives WIOA funds to provide goods or services for the benefit of the program but *does not carry out a programmatic portion* of the award.

Pass-Through Entity: A nonfederal entity that provides a subaward to a subrecipient to carry out part of a federal program. For purposes of this policy, the LWDB acts as the pass-through entity when issuing subawards.

Monitoring: An ongoing, systematic process used to:

- Review financial, programmatic, and administrative performance
- Ensure compliance with applicable laws, regulations, and policies
- Identify and correct deficiencies

Policy Statement

Each LWDB is responsible for ensuring that WIOA funded subrecipients and contractors operate in compliance with all applicable federal, state, and local requirements.

LWDBs must implement a formal, documented monitoring system that provides reasonable assurance that:

- Costs charged are allowable, allocable, and reasonable
- Performance and financial reporting are complete and accurate
- Program services and participant outcomes align with WIOA requirements and local contracts/subawards
- Internal controls are effective
- Deficiencies are corrected timely and repeat issues are prevented

Roles and Responsibilities

State Workforce Agency (SWA)

The SWA shall:

- Provide statewide policy and guidance regarding monitoring requirements.
- Conduct oversight of LWDBs to ensure compliance with:
 - WIOA statutes and regulations
 - Uniform Guidance (2 CFR Part 200)

- State policies and procedures
- Perform risk-based monitoring of LWDBs, which may include:
 - Programmatic reviews
 - Fiscal reviews
 - Equal opportunity reviews
- Issue monitoring reports, findings, and required corrective actions.
- Provide technical assistance and guidance to LWDBs.
- Track and enforce resolution of findings and corrective action plans.

Local Workforce Development Board (LWDB)

The LWDB, in partnership with the Chief Elected Official (CEO), is responsible for the strategic and operational oversight of all WIOA Title I programs. To fulfill this mandate, each LWDB shall:

- Ensure all local workforce activities align with the approved Local Plan, budgets, and performance expectations.
- Develop and maintain a formal, written local monitoring policy and procedural manual.
- Review and update local monitoring procedures annually.
- Make monitoring policies and procedures available to the SWA upon request.

Monitoring Framework

Each LWDB shall implement a structured monitoring system that includes:

- A documented annual monitoring plan
- A risk-based monitoring approach
- A defined monitoring lifecycle
- Required monitoring domains
- Documented corrective action and resolution procedures

Determination of Relationship (Subrecipient vs Contractor)

Required Determination and Documentation (2 CFR §200.331). The LWDB shall:

- Perform case-by-case determinations for each funded entity.
- Base the determination on the substance of the relationship rather than the label of the agreement.
- Utilize the criteria and checklist provided, in **Appendix B**, prior to execution of any subaward or contract.
- Maintain written documentation, including a completed determination form and justification narrative, for every funded entity.

Subrecipient Agreement Requirements

LWDBs, as pass-through entities, must ensure that all subrecipient agreements include the required federal award information, terms, and conditions in accordance with 2 CFR §200.332.

These requirements must be addressed through local subaward or contracting policies and procedures and will be subject to monitoring and oversight.

Annual Monitoring Plan and Risk-Based Approach

Each LWDB must develop and maintain a written annual monitoring plan that includes:

- A list of all subrecipients and contractors
- Assigned risk levels for each
- Planned monitoring activities
- Estimated monitoring dates or review periods
- Staff responsible for each review

The monitoring plan must be:

- Updated at least annually
- Adjusted as needed based on changes in risk or performance

Annual WorkForce Training and Refresher

WorkForce will provide annual training/refresher covering federal and state requirements pertaining to monitoring. This training will review the locals role as it pertains to monitoring their subrecipients and contractors. To include the implementation and utilization of the Subrecipient Risk Assessment Tool and Monitoring Frequency Matrix and the Subrecipient vs Contractor Determination.

Minimum Monitoring Requirement

Each subrecipient and contractor must receive, at minimum, **annual documented oversight**. The method of oversight is determined by the entity's classification:

- **Subrecipient Monitoring**
Subrecipients are subject to programmatic monitoring to ensure compliance with award requirements, which includes:
 - *Annual Desk Review*: A formal evaluation of financial reports and programmatic performance data.
 - *Targeted Monitoring*: Additional remote or on-site monitoring as indicated by risk assessment results or identified performance issues

- **Contractor Performance Review**

Contractors are evaluated based on their adherence to the terms of their agreement, which includes:

- *Annual Deliverable Review*: A documented assessment of performance and quality graded against the specific deliverables and milestones outlined in the SOW.
- *Operational Oversight*: Remote or on-site verification of services rendered, triggered by contract risk level or failure to meet SOW specifications.

Risk-Based Monitoring

LWDBs must implement a documented risk-based monitoring approach using the criteria and tool provided in **Appendix A**. This approach must:

- Assign risk levels (e.g., low, medium, high) based on the defined factors in Appendix A; and
- Adjust monitoring scope, depth, and frequency accordingly.

Monitoring Lifecycle

Each LWDB must implement a defined monitoring process that includes the following steps:

- **Planning**
 - Develop an annual monitoring plan.
 - Conduct risk assessments.
- **Notification**
 - Provide advance notice to monitored entities.
 - Include scope, documents required, and timelines.
- **Review**
 - Conduct desk, remote, or on-site reviews.
 - Test participant files and financial transactions.
 - Review internal controls and compliance.
- **Exit Conference**
 - Present preliminary results.
 - Clarify issues and next steps.
- **Report Issuance**
 - Issue written monitoring reports accordingly, as outlined within local policy and procedure.
- **Corrective Action**
 - Require a corrective action plan (CAP) for all findings.
 - Establish standard response timelines.
- **Follow-Up and Resolution**
 - Verify implementation of corrective actions.

- Document formal closure of findings.

Monitoring Domains

Monitoring must address the following domains, as applicable to the relationship:

- Programmatic
 - Eligibility determinations.
 - Assessment and service delivery.
 - Individual Employment Plans (IEPs) or ISS.
 - Case management practices.
 - Performance outcomes.
 - Data entry and reporting accuracy.
- Fiscal
 - Allowable costs.
 - Cash management.
 - Procurement and contracting practices.
 - Property and equipment management.
 - Match or leveraged resources, if applicable.
- Administrative and Compliance
 - Equal Opportunity (EO) compliance.
 - Accessibility requirements.
 - Priority of service.
 - Record retention.
 - Conflict of interest policies.

Contractor Oversight

For entities classified as contractors, LWDBs must:

- Ensure procurement actions comply with federal and state standards.
- Enforce conflict-of-interest requirements.
- Follow local competitive procurement procedures.
- Monitor contractor performance against deliverables.
- Review invoices and payment terms.
- Maintain documentation of deliverable acceptance and oversight activities.

Monitoring Documentation Standards

LWDBs must maintain sufficient documentation to demonstrate the effectiveness and results of monitoring activities. At a minimum, documentation must include:

- Lists of participant or transaction files reviewed.
- Error or compliance rates, where applicable.
- Summary of systemic issues.
- Corrective actions required.
- Evidence of follow-up and resolution.

Monitoring Reports, Corrective Actions, and Resolution

Monitoring Reports

LWDBs must issue written monitoring reports that include:

- Scope and period reviewed.
- Findings (noncompliance), concerns, and observations.
- Required corrective actions.
- Responsible parties and deadlines.

Corrective Actions

LWDBs must:

- Require corrective action plans when deficiencies are identified.
- Establish timelines for response and implementation.
- Validate corrective actions.
- Document formal closure of findings.
- Implement measures to prevent repeat issues.

LWDBs must issue management decisions on audit findings within required federal or state timeframes and no later than six months after acceptance of the audit report, in accordance with 2 CFR §200.521, unless otherwise directed by the SWA.

Disallowed Costs, Misexpenditures, and Recovery

LWDBs must:

- Identify questioned and disallowed costs.
- Initiate recovery actions where required.
- Report misexpenditures to the SWA in accordance with state policy and federal requirements.

Record Retention

LWDBs, subrecipients, and contractors must retain monitoring documentation and related records consistent with:

- 2 CFR §200.4

- State retention requirements
- WIOA recordkeeping requirements

Corrective Actions and Sanctions

If an LWDB or subrecipient fails to comply with this policy, the SWA may:

- Require technical assistance
- Impose special conditions
- Require additional reporting
- Disallow costs
- Reduce or reallocate funds
- Take other corrective actions consistent with applicable authorities

Technical Assistance

The SWA will provide technical assistance, training, and clarifying guidance as needed to support implementation of this policy and consistent statewide monitoring standards. All Technical Assistance requests can be made through email to wfvwtac@wv.gov .

Version Control

Version #	Effective Date	Description of Changes	Author/Editor	Approval Date
<i>1.0</i>	<i>March 24, 2026</i>	<i>Initial</i>	<i>Workforce Unit</i>	2026-03-25

Subrecipient Risk Assessment Tool and Monitoring Frequency Matrix

Instructions:

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

Risk Factor	Rubric	Score	Notes/Justification
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		
Experience with WIOA/Federal Funds	0=3+ yrs 1=1-3 yrs 3=New		
Size of Award	0=<250k 1=250k-1M 2=>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		

Risk Level:

Total Score: _____

0–4 = *Low*

5–10 = *Medium*

11+ = *High*

Final Risk Level: _____

Frequency Level <i>*Low risk level = low frequency level</i>	Desk Top Spot Monitoring <i>(minimum)</i>	On-Site/Remote Full Monitoring <i>(minimum)</i>
Low	*Annually	*Annually
Medium	*Semiannually	*Annually
High	*Quarterly	*Semiannually

**Options: Monthly, Quarterly, Semiannually, Annually. Monitoring frequency must scale in alignment with the assigned risk level.*

Frequency Level: _____

Reviewer Name: _____ **Date:** _____

Subrecipient vs Contractor Determination

Entity Name: _____

Contract/Subaward Number: _____

Program: _____

Instructions: *Federal regulations (2CFR 200.331) require 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)

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

Contractor Indicators (check if yes)

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

Final Determination (check one):

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

Justification Narrative:

Prepared By: _____ **Date:** _____

Approved By: _____ **Date:** _____