



Policy and Procedures

Title:	Local Oversight and Monitoring Policy	Number:	OP-13-04
Effective Date:	March 6, 2013	Revised:	May 21, 2026

Purpose:

According to WIOA Section 107(d)(8) and Section 183, Local Workforce Development Areas (LWDA), in collaboration with local Chief Elected Officials (CEOs), are responsible for monitoring and overseeing the implementation of their WIOA programs and ensuring that contractors and service providers comply with federal, state, and local statutory or regulatory requirements. This policy is revised to outline the process for local monitoring in accordance with Virginia Workforce Letter (VWL) 19-06, Change 2.

References:

Workforce Innovation and Opportunity Act, Section 107(d)(8)

- 2 CFR Subtitle A Chapter II Part 200 Subpart E
- 20 CFR Chapter V Part 683 Subpart D 683.400-420
- Virginia Workforce Letter (VWL) 19-06 Change 2
- Virginia Workforce Letter (VWL) 25-03 Change 1

Revisions:

This policy supersedes OP-13-04, which was last updated on September 14, 2017. This update clarifies the Shenandoah Valley Workforce Development Board's (SVWDB) role as a provider of career services. It also outlines the requirement to review and monitor the fiscal and programmatic aspects of its Workforce Innovation and Opportunity Act (WIOA) Title I-funded programs provided by the SVWDB and its contractors.

Definitions:

Subrecipient - a non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a federal program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

Contractor - an entity that receives a contract from a subrecipient to carry out a project or program under a federal award.

Service Provider- an entity contracted by a local workforce development board to provide adult, dislocated worker, youth, or one-stop (American Job Center) operator services.

Contract - for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient conducts procurement transactions under a Federal award.

Auditor - an auditor who is a public accountant or a Federal, State, local government, or Indian Tribe audit organization that meets the general standards specified for external auditors in generally accepted government auditing standards (GAGAS).

Compliance supplement - an annually updated authoritative source of information for auditors that identifies existing important compliance requirements that the Federal Government expects to be considered as part of an audit. Auditors use it to understand the Federal program's objectives, procedures, and compliance requirements, and to set audit objectives and recommend procedures to assess compliance with the relevant Federal program.

Corrective action - action taken by the auditee that:

2 CFR 200.1 "Corrective action."

- (1) Corrects identified deficiencies;
- (2) Produces recommended improvements; or
- (3) Demonstrates that audit findings are either invalid or do not warrant auditee action.

Finding – a violation of federal, state, and local laws, regulations, contract provisions, grant agreements, policies, official directives, and regional/local plans as determined by the SVWDB, Virginia Works, or the Department of Labor. Findings must be addressed through corrective action and may result in sanctions if left unremedied.

Concern- identifies potential risk to the local area and may result in a future finding when not addressed. Concerns may lead to recommendations or required actions to improve services in the local area.

Description:

In Virginia, according to VWL 19-06 Change 2, issued December 15, 2025, all Local Workforce Development Boards (LWDBs), including those that, in agreement with the Governor and their Chief Local Official, provide career services, must monitor their compliance with the Workforce Innovation and Opportunity Act (WIOA) Title I's requirements at least once per program year. This monitoring involves evaluating fiscal and programmatic aspects, ensuring accessibility for individuals with disabilities, and verifying that services are delivered effectively, aligned with local labor market needs, and in line with the local strategic plan.

Compliance with the WIOA involves several key responsibilities for recipients and subrecipients of federal financial assistance.

Regular Oversight: Each recipient must conduct regular oversight and monitoring of its WIOA programs to ensure expenditures are charged to appropriate cost categories and remain within specified limitations.

Compliance with Regulations: Recipients must determine compliance with other provisions of WIOA and applicable laws, including nondiscrimination and equal opportunity requirements.

The SVWDB, Inc., assigns staff to perform compliance monitoring duties. Compliance review areas include, but may not be limited to, the following:

Fiscal

A review of financial functions to ensure effective internal controls and reliable financial management systems for the proper allocation, expenditure on allowable activities, and adequate documentation of federal funds.

The fiscal review will ensure the following minimum standards are met:

- Compliance with the federal "Uniform Administrative Requirements, Cost Principles, and

Audit Requirements for Federal Awards" (2 CFR 200). This includes following appropriate accounting procedures and fiscal policies to prevent fraud, waste, and abuse.

- Adherence to all provisions outlined in contracts, budgets, and/or award agreements, including requirements related to invoicing and documentation.
- Continuously track spending and obligations to ensure expenses align with the approved budget and commitments are fulfilled.
- Confirmation that expenditures are allowable, properly categorized and coded, supported by appropriate documentation, and reported accurately.

Programmatic

A review of programmatic functions is essential to ensure that WIOA programs comply with all applicable regulations while delivering services efficiently and effectively. The programmatic review will, at a minimum, focus on the following aspects:

- Ensuring that one-stop operators and any other contracted service providers (if applicable) adhere to contract provisions, local policies, and federal and state guidance, and performance requirements.
- Assessing whether program design and service delivery are effective and support the achievement of established goals.
- Confirming compliance with equal opportunity and accessibility standards.
- Verifying that staff follow state and local policies and procedures.
- Ensuring that data in participant case files is accurate, reliable, up-to-date, compliant, and protected.

Processes and Procedures:

The SVWDB is responsible for overseeing subrecipients and contractors to ensure compliance with the Workforce Innovation and Opportunity Act (WIOA) and related regulations. The primary objectives of this oversight include ensuring compliance, protecting public funds, measuring performance, identifying and addressing issues, and promoting continuous improvement.

At the beginning of each program year, a comprehensive review of all activities from the previous year will be conducted. This process aims to thoroughly evaluate every aspect of the subrecipients and contractors, allowing the SVWDB to effectively monitor developments, assess outcomes, and identify areas for improvement.

Additionally, the SVWDB has an approved waiver to provide WIOA Title I program services. To ensure ongoing compliance, periodic informal internal monitoring reviews are performed, focusing on participant expenditures, activities, and overall performance.

The SVWDB's working papers will document activities occurring during monitoring and provide the rationale for the monitoring reports. These papers are essential to the review process and help validate the information collection method.

Written monitoring reports will be prepared, including the review dates and the assessed areas. These reports will be clearly organized to present all findings, concerns, and corrective actions, along with a timeline for completion. For contracted service providers, a written report will be

provided to each provider, as well as to the SVWDB Chair and the Chief Elected Officials.

Corrective action plans will be submitted within the timeframe specified in the monitoring report. SVWDB's designated staff is responsible for promptly tracking corrective action plans until completion.

All documentation related to monitoring and oversight activities will be accessible for review by federal and state officials. The SVWDB will retain monitoring records for at least three years, as required by law. If there is an active audit, litigation, or claim, records will be preserved until the matter is fully resolved.

Monitoring reviews are conducted using multiple methods to ensure programmatic effectiveness, fiscal integrity, and legal compliance. The monitoring methods employed may include the following:

- Desk review monitoring is used to collect and analyze information and, if needed, support on-site reviews. Desk reviews analyze existing data, including contracts, policies, governance documents, prior audits and monitoring reports, local area performance, and financial reports and transactions.
- The on-site review allows observation of operations, customer flow, and service delivery, testing procedures, and the collection of supporting documentation. Interviews with service provider staff and participants may provide a more complete, detailed picture of events and provide the necessary context for the record reviews. Interviews are primarily used to gather information on program quality, document performance for programmatic monitoring, and provide general orientation to compliance monitoring.

Steps in the Monitoring Process for Contracted Providers

Notification of pending reviews will be provided at least forty-five (45) business days in advance of each review. SVWDB will oversee its WIOA Title I program or One-Stop Operator contractors, and these reviews may involve visiting sites or premises to examine program and fiscal records, and interviewing employees and participants. The SVWDB also reserves the right to conduct unannounced or unscheduled reviews when deemed necessary.

Random sampling and data validation techniques will be used to select records for review. The review may include all (100%) of the record universe if the universe is small, or problems are identified during the review.

Reviews may include a single monitoring method or a combination of methods and will be used at the SVWDB staff's discretion for each review.

Working papers used for monitoring shall be established during each review and stored electronically on SVWDB's SharePoint.

To address any monitoring findings and concerns after monitoring concludes, an exit conference may be held as needed.

If any findings or concerns are identified, a draft report summarizing these issues and any necessary corrective actions will be issued to the contractor. Contractors will have ten (10) business days to review the draft report for accuracy and submit their comments. The SVWDB staff will evaluate the responses and make any necessary and appropriate edits. A final report will then be signed by the SVWDB Chief Executive Officer and issued to the contractor.

For monitoring reports requiring corrective action, contractors will have thirty (30) calendar days from the date of the final report to submit a corrective action plan that includes specific timelines for deliverables.

SVWDB staff will acknowledge receipt of submitted corrective action plans and monitor corrective action implementation. Technical assistance will be provided, as needed or requested, to ensure completion.

If corrective actions are adequate to resolve the findings, a written notification will be issued to the contractors. If corrective actions are not resolved within the identified timeframes, the issues shall be referred to the SVWDB leadership for review and determination of further direction for breach of contract.

Note: Verbal reports may be made to the SVWDB Chief Executive Officer when apparent deficiencies are identified that may require immediate action. Such deficiencies include inaccurate or insufficient financial management procedures or participant eligibility determinations; child labor law violations; noncompliance with contract performance; clear noncompliance with the contract terms or program specifications; or violations of other applicable state and federal laws, as well as federal, state, and local policies and guidance.

Special Investigations and Processing Procedures:

Special investigations are initiated when information indicates possible fraud, abuse, or criminal activity. The purpose of these investigations is to provide the SVWDB and the Chief Executive Officer with enough evidence to determine if the appropriate legal authorities should be notified.

Upon receiving a request for a special investigation or starting one, the Chief Executive Officer will inform both the SVWDB Chair and the State WIOA office or the Department of Labor. The CEO or the SVWDB Chair will appoint individuals, as necessary, to carry out these special investigations. Additionally, they may seek assistance or advice from individuals approved by the Executive Committee or the CEO during the investigation.

Steps for Internal Monitoring and Oversight.

With approval from the Chief Elected Officials and the Governor (via an authorized waiver), the SVWDB provides WIOA Title I Adult and Dislocated Worker program career and follow-up services to the Shenandoah Valley Region. Additionally, it maintains an agreement with the Chief Elected Officials to provide WIOA Title I Youth Program Elements. Consequently, the SVWDB is mandated by the state to monitor compliance with WIOA requirements by evaluating its fiscal and programmatic aspects, ensuring accessibility for individuals with disabilities, and confirming that services are delivered efficiently and align with local labor market needs and the local strategic plan. Therefore, steps for internal monitoring and oversight are included in this policy revision.

The organization's fiscal review will rely on an annual audit. As the fiscal agent, SVWDB Inc. is responsible for procuring an organization-wide annual financial compliance audit in accordance with the requirements of the Single Audit Act of 1984 and 2 CFR Part 200. The audit provides effective third-party oversight of the Fiscal Agent to ensure there are no conflicts of interest or appearances of such, and to ensure the accuracy of internal controls, the reliability of our financial management system, and fiscal compliance with federal requirements. Auditors refer to federal regulations that detail compliance requirements for audits under the 1996 Amendments to the Single Audit Act, available in the federal compliance supplement. The supplement emphasizes critical requirements that may significantly affect federally funded programs. By using the supplement, auditors gain essential information on federal financial laws and regulations. [Compliance supplements](#)

Programmatic reviews will be conducted on an ongoing basis by SVWDB-designated staff, who will periodically review records of WIOA Title I Adult, Dislocated Worker, and Youth program participants to ensure fiscal and programmatic compliance with local, state, and federal policies and regulations.

Random sampling and data validation techniques may be used to select records for review. The review may include all (100%) of the record universe if the universe is small, or problems are identified during the review.

Reviews may include a single monitoring method or a combination of methods, and will be used at the SVWDB staff's discretion.

The SVWDB working papers will document activities occurring during monitoring reviews and provide the rationale for the monitoring reports. These papers are essential to the review process and help validate the information collection method.

The SVWDB staff are responsible for promptly tracking and addressing all identified issues.

All documentation related to the fiscal and programmatic monitoring and oversight activities will be accessible for review by federal and state officials. The SVWDB will retain monitoring records for at least three years, as required by law. If there is an active audit, litigation, or claim, records will be preserved until the matter is fully resolved.

An annual audit report will be provided to both the SVWDB Chair and the Chief Elected Official.

Revisions:

March 9, 2013

September 14, 2017

May 21, 2026

Equal Opportunity Employer/Program
Auxiliary aid and services are available upon request to individuals
with disabilities.

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