



Montana Department of LABOR & INDUSTRY

1
2 Division: Workforce Services Division
3 Category: WIOA
4 Original Effective Date: 03/21/2018
5 Last Revised: 04/01/2022
6 Policy No.: 04-18

7 8 Monitoring and Audits Policy

9 **Background:** Montana Department of Labor and Industry (MDLI) must conduct regular oversight and
10 monitoring of WIOA Title I to ensure compliance with WIOA provisions, laws, and regulations. The monitoring and
11 audits process also provides an opportunity to strengthen and continuously improve workforce development
12 programs and systems.

13 **Scope:** This policy applies to all service providers operating WIOA Adult, Dislocated Worker or National
14 Dislocated Worker Grants (DWG), Youth programs and Work Opportunity Tax Credit (WOTC) and Senior
15 Community Service Employment (SCSEP) programs; WIOA Adult, Dislocated Worker or National Dislocated
16 Worker Grants (DWG), and Youth, WOTC, and SCSEP program managers; fiscal officers; and the monitors. This
17 policy is effective April 1, 2022.

18 Policy:

19 A. Monitoring Definitions:

- 20 • **Commendation:** Given when the monitor observes consistently good service provider practices.
- 21 • **Compliance Findings:** When the monitor observes a practice that violates law, regulation, contract, or
22 policy; for example, missing documentation required for enrollment, eligibility, MIS standards, etc.
23 Deficiencies regarding overall program and/or case management policy would be a compliance finding.
24 The compliance finding is immediately followed by an “action required.” A compliance finding will
25 reference the law, regulation, contract, or policy that must be followed.
- 26 • **Area of Concern:** When the monitor finds a questionable practice, possibly leading to non-compliance of
27 law, regulation, contract, or policy. An area of concern does not meet the threshold of compliance
28 finding.
- 29 • **Questioned Cost:** Payments appearing to be in violation of policy, regulation, contract, or law. The
30 payment is questioned until the provider has a chance to respond and resolve the discrepancy.
- 31 • **Disallowed Cost:** Unallowable purchases and/or incorrect or missing documentation that is a clear
32 violation of policy, regulation, contract, or law. The provider has the responsibility to reimburse the
33 program with non-federal funds. Providers can collect repayment from the participant, if applicable, but
34 it is at their discretion. The responsibility lies with the provider to repay the cost within the
35 report/response deadline in the monitoring report.

36 B. Process Overview:

- 37 • The Program Monitoring Unit conducts annual program, data, and fiscal monitoring of service providers.

- 38 • Monitoring and/or limited scope reviews may consist of interviews with appropriate staff and reviews of
39 policies, procedures, accounting reports, source documents, and other records as considered necessary
40 pertaining to any or all of the WIOA activities including:
 - 41 ○ Fiscal,
 - 42 ○ WIOA Title I including National DWG programs,
 - 43 ○ Management Information System (MIS),
 - 44 ○ Eligible Training Provider List (ETPL), or
 - 45 ○ Nondiscrimination, disability, and/or Equal Opportunity (EO).
- 46 • Monitoring and/or limited scope reviews that may include the process detailed in lines 37-39,
47 pertaining to:
 - 48 ○ SCSEP
 - 49 ○ WOTC
- 50 • Members or representatives of entities such as MDLI, State Workforce Innovation Board (SWIB), or U.S.
51 Department of Labor (USDOL) may accompany on-site monitors.

52 1. Compliance

- 53 • Regular monitoring of program activities and providers of basic and individualized career services is
54 conducted to ensure compliance with requirements including:
 - 55 ○ Compliance with the uniform administrative requirements described in WIOA Title I Section 181
56 and administrative requirements in 2 CFR 200, including the appropriate administrative
57 requirements and applicable cost principles in WIOA Regulations, Subpart B;
 - 58 ○ Determining that expenditures have been made against the cost categories and within the cost
59 limitations specified in the Act and Regulations;
 - 60 ○ Compliance with the nondiscrimination, disability and equal opportunity requirements of WIOA
61 Section 188 and 29 CFR part 38;
 - 62 ○ Compliance with data collection and reporting system policies and procedures; and
 - 63 ○ Determining whether there is compliance with other provisions of the Act and the WIOA
64 regulations; and other applicable federal or state laws and regulations.

65 2. Corrective Action

- 66 • If the Workforce Services Division (WSD) Monitoring Unit finds fiscal or programmatic noncompliance,
67 monitoring staff will recommend corrective action to secure prompt compliance.
- 68 • Monitoring staff will provide service providers and program managers with a written summary of
69 identified errors or missing data and a request to correct the inaccuracies.
- 70 • Service providers will respond in writing with appropriate documentation and information in order to
71 correct identified errors, missing data, or inaccuracies.
- 72 • The Monitoring Team will respond in writing when all deficiencies have been addressed.
- 73 • Prompt corrective action must be supported in the following ways:
 - 74 ○ Technical assistance as necessary and appropriate;
 - 75 ■ Monitoring staff will provide technical assistance related to monitoring and monitoring
76 findings.
 - 77 ○ Written referral by the Monitoring Unit Supervisor to the WSD Administrator, noting a service
78 provider's failure to take the required corrective action.
 - 79 ■ SWIB bears authority to determine if deficiencies warrant sanctions and impose them.

80 References:

- 81 • [20 CFR 683.400 Subpart D Oversight and Resolution of Findings](#)
- 82 • [2 CFR 200 Uniform Administrative Requirements](#)
- 83 • [29 CFR 37 Nondiscrimination and Equal Opportunity](#)

- 84 • [WIOA Section 181 Requirements and Restrictions](#)
- 85 • [WIOA Section 184 Fiscal Controls and Sanctions](#)
- 86 • [WIOA Section 188 Nondiscrimination](#)