###### Financial Oversight and Technical Assistance (FOTA) Consolidated Annual Fiscal Review (CAFR) Guide

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| --- | --- |
| Current Review Period Covered: |  |
| Current Review Scope of Sampling: |  |
| Prior Review Period Covered: |  |
|  |  |
| Entity/LWDA Monitored: |  |
| Monitor’s Name: |  |
| Review Start Date: |  |
| On-site Dates: |  |
| Review Exit Date: |  |
| Date Monitoring Guide and Work Papers Submitted for Supervisor Review: |  |
| Date Submitted to Management: |  |
| Report Issue Date: |  |
| Follow-up Report Issue Date (if any): |  |

Guide Revised – July 2023 FOTA Guide Revision Team

**Workforce Innovation and Opportunity Act, Trade Adjustment Assistance Act, and National Dislocated Worker Grants Annual Fiscal Review Guide**

This guide is to be used to perform monitoring of New York State Department of Labor (NYSDOL) local workforce development area (LWDA) subrecipients that receive pass-through funding awarded to NYSDOL by the United Stated Department of Labor (USDOL) Employment and Training Administration (ETA). The funding supports Workforce Innovation and Opportunity Act (WIOA) Grants and Trade Adjustment Assistance (TAA) Grants. This guide also provides monitoring guidance for grants referred to as National Dislocated Worker Grants (NDWGs), awarded by the Secretary of Labor under Section 170 of WIOA, and all other ETA-funded grants that are subject to monitoring through the existing pass-through relationship. This guide is also to be used to monitor State grants awarded to LWDA subrecipients, such as Gun Violence Prevention (GVP) funds.

This monitoring guide was developed to ensure compliance with the Uniform Guidance (UG) Code of Federal Regulations (CFR), which communicates the compliance requirements of the grant awards monitored using this guide.  This includes guidance for all federal grants and agreements in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. These are found in the UG, CFR, Title 2, Subtitle A, Chapter II, Office of Management and Budget Guidance, Part 200 (i.e., 2 CFR 200).   UG titles specific to the WIOA Act (2014) and TAA are included in the UG, CFR, Title 20, Chapter V. See the list of Parts frequently sourced for the purpose of this monitoring guide. Please note this not intended to be a complete list.

* Part 618 Trade Adjustment Assistance Under the Trade Act of 1974, as Amended
* Part 675 Introduction to the Regulations for the Workforce Development Systems Under Title I of the Workforce Innovation and Opportunity Act
* Part 676 Unified and Combined State Plans Under Title I of the Workforce Innovation and Opportunity Act
* Part 677 Performance Accountability Under Title I of the Workforce Innovation and Opportunity Act
* Part 678 Description of the One-Stop Delivery System Under Title I of the Workforce Innovation and Opportunity Act
* Part 679 Statewide and Local Governance of the Workforce Development System Under Title I of the Workforce Innovation and Opportunity Act
* Part 680 Adult and Dislocated Worker Activities Under Title I of the Workforce Innovation and Opportunity Act
* Part 681 Youth Activities Under Title I of the Workforce Innovation and Opportunity Act
* Part 682 Statewide Activities Under Title I of the Workforce Innovation and Opportunity Act
* Part 683 Administrative Provisions Under Title I of the Workforce Innovation and Opportunity Act
* Part 687 National Dislocated Worker Grants

Further guidance sourced while developing this review guide included USDOL ETA Training and Employment Guidance Letters (TEGLs) as well as direction and guidance dictated at the State level via NYSDOL Technical Advisories (TAs) and/or Program Guidance Letters (PGLs).

**Directions for Retention of Completed Annual Reviews**

At the beginning of the program year, field monitors will create a new monitoring file in Salesforce and upload all twelve monthly desk reviews during the program year as they are completed. To upload documents in Salesforce, field monitors will use the Upload Files box on the right side of the newly created monitoring file located at:

<https://nysdol.my.salesforce.com/>

Once the Financial Oversite and Technical Assistance (FOTA) Annual Fiscal Review is completed, the exhibits, review guide, final Letter Report, and subsequent corrective action plan (CAP) follow-up Letter Reports shall be retained and stored in the Salesforce monitoring file created at the beginning of the program year.

All applicable supporting documentation and work papers shall be retained and stored on the DEWS server at:

[\\dol-smb\dol\_shared\DOL0A1FS1\Dews-Data\dews-QA-Central\Prog&FiscalTA\Field\FOTA](file:///\\dol-smb\dol_shared\DOL0A1FS1\Dews-Data\dews-QA-Central\Prog&FiscalTA\Field\FOTA)

If there are Findings or any other compliance issues, the monitor must include all supporting documents that identify the basis for the Finding.

When a required corrective action has been taken by the LWDA to address the finding, support documentation addressing the resolution of the finding shall be maintained on the server under a file folder titled “Corrective Action Plan.” This folder will be created as needed.

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## **Objectives**

To determine that the:

1. Amounts reported as cash expenditures and program/interest income are accurate, allowable, and properly supported by documentation.
2. Cost allocation methodologies used by the LWDA are compliant with Office of Management and Budget (OMB) 2 CFR 200, costs are properly and equitably distributed to the benefit of the cost objectives, and documentation is maintained in support of the allocations. See One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG), Part II Chapter 8 (<https://www.dol.gov/sites/dolgov/files/ETA/grants/pdfs/TAG_PartII_July2011.pdf>); and 2 CFR 200.405; 200.412-417.
3. Financial management system is adequate and reliable, such that policies and procedures for separation of duties or other safeguards are in place to prevent unauthorized purchases and disbursements of grant funds. Budget is approved and tracked. Cash management policy and procedures (drawdown and expenditure) are in effect and followed. Allowable cost policy and procedures used to determine allowable costs are in effect and followed. Financial reporting policies and procedures are in effect and followed ensuring that accruals, obligations, and subrecipient reporting are consistently and accurately captured and reported at the required frequency.
4. LWDA is following closeout requirements and closeout packages were submitted timely. Reported amounts agree with the official books of entry and/or LWDA worksheet totals. Reported amounts were incurred within the PY/FY and allowable per ETA Grant Rules & Regulations. Transfer adjustments between Program/Fiscal Years are properly supported and correct. Grant program accruals liquidated timely. Percent expenditure requirements were met, and percent expenditure limitations observed for ETA-funded grants subject to closeout.
5. Procurement policies and local procedures are compliant with the 2 CFR Part 200.318-327
   * Policies and procedures are followed/applied appropriately and consistently,
   * Procurement actions maintain a verifiable supporting documentation trail, and
   * Contract development and execution are compliant with the 2 CFR 200.324-326 and Appendix II to Part 200.
6. Property Management and local procedures are compliant with 2 CFR 200.302(b)(4); 200.310 to 316; 200.439; 200.453
   * Maintains property management records that provide detailed information on each piece of equipment and other property,
   * Conducts a physical inventory and reconciles results with property management records at least once every two years, and
   * Has a control system in place to ensure adequate safeguards to prevent loss, damage, or theft of the property.
7. Subrecipient Monitoring – 2 CFR 200.331 to 200.333 and TA #21-5
   * Policies/Plans are following TA #21-5 dated June 25, 2021. For monitoring procedures, the entity is strongly encouraged to use the NYSDOL monitoring guides available on the Workforce Professionals page of the NYSDOL website (https://dol.ny.gov/monitoring-guides) to conduct their local subrecipient monitoring; or, alternatively, incorporate all elements of the Guides into their own review guides as they carry out their monitoring and oversight responsibilities; and
   * Monitoring actions followed the LWDA Policy and Plan, and were comprehensive, timely and properly documented.

## **Review Resources**

1. LWDA’s Financial Management Policies and Procedures for the Expenditure samples and other applicable Policies and Procedures specific to the grant management function under review (Procurement, Property Management, Subrecipient Monitoring, Cost Allocation, etc.)
2. Monthly Desk Reviews
3. Most recent Annual Fiscal Review narrative, report, and follow-up reports. Include a summary of each report in your Monitor’s Narrative. See the prescribed format for the consolidated review narrative at Procedure #14.
4. One-Stop Comprehensive Financial Management Technical Assistance Guide Part II (TAG)
5. 2 CFR 200: <https://ecfr.federalregister.gov/current/title-2/subtitle-A/chapter-II>; WIOA Rules and Regulations: <https://www.govinfo.gov/content/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>); and Federal Register, Part V, WIOA Final Rule <https://ecfr.federalregister.gov/current/title-20/chapter-V>
6. Policy Directives for Technical Advisory and/or Program Guidance Letter: <https://dol.ny.gov/policy-directives>

## **Procedures**

* Your consolidated annual fiscal review period and subrecipient monitoring review period will align with the Program Year July through June.
* Your Closeout review(s) included within the consolidated annual fiscal review will capture all ETA grant programs (awarded to the LWDA under review) that are subject to closeout in your consolidated annual fiscal review period.
* The Property Management review and the Procurement review have biennial review frequencies (these monitoring exhibits must be completed every two years). The Procurement review within the consolidated annual fiscal review will occur on odd-numbered program years. The performance of the Property Management review within the consolidated annual fiscal review will occur on even-numbered program years. The review scope for each review will encompass a two-year period of review each time the review is performed.
* **Property Management was last reviewed in PY20 and therefore will be subject to review as part of the PY22 consolidated annual fiscal review.**
* **Procurement was last reviewed in PY20 and PY21 and is not subject for review during the PY22 consolidated annual fiscal review.**
* Additional ETA grant awards received by the LWDA will be included within the consolidated annual fiscal review through detailed expenditure testing selections and Closeout reviews when the period of performance of the award ends within the annual fiscal review period.
  + The monitor must ensure sampling is representative of all ETA grant awards subject to monitoring in program year under review. If the sample quarter chosen does not contain ETA grant award expenditures that are subject to review, the monitor must evaluate if there was significant spending occurring during the review period for the additional ETA grant awards. **For the purposes of setting a consistent measure of significance regarding spending in this guide, “significant spending” is represented by expenses incurred during the twelve months of the program year under review, totaling 10% of the grant award NOA, or $10,000, whichever is less.**
  + If it is concluded that significant ETA grant award spending occurred during the program year, but spending was not captured in the sample quarter, the monitor must perform sampling for these ETA grant awards outside of the sample quarter. It is suggested the monitor review monthly desk reviews to understand what months ETA grant spending occurred to guide sample selection.

## **Review Period**

The Consolidated Annual Fiscal Review period covers all program activities incurred from July to June. PY22 review will cover activities incurred from July 1, 2022, to June 30, 2023. Consideration must be given to the required biennial monitoring frequency for Property Management and Procurement reviews. The monitor must identify the most recent review period completed for Property Management as well as Procurement. If the Property Management and/or Procurement Review is due in the current monitoring year, your review period must encompass the prior year as well, if the review was not performed, because these reviews are required to be completed biennially, as opposed to annually. Monitoring review periods for each section of the Consolidated Annual Fiscal Review must occur consecutively, such that each review period designated, for each section of the review, is continuous and without break or interruption. For example, if Property Management was last performed with PY20 (July 2020 through June 2021) annual monitoring, and it was not performed during PY21 (July 2021 – June 2022) annual monitoring, then Property Management is due to be reviewed with PY22, and the review period for this section of the review must begin with July 2021 and run through June 2023, thereby covering two years and ensuring there has been no break in the review period coverage.

## **Sampling Quarter**

One calendar quarter within the annual fiscal review period will be identified for detailed review sampling. Focus all sampling selections for the financial management review within this quarter when making sample selections. Note, Property Management and Procurement (Part B) Review selections must be selected from the entire review period to be covered, not just within the selected sampling quarter. Quarter segments follow the Program Year review scope. The first quarter is July-September, the second quarter is October-December, the third quarter is January-March, and the fourth quarter is April-June.

* **The October-December 2022 quarter has been identified as Sampling Quarter for the PY 22 review. This quarter will be reviewed for all local areas statewide unless the following exception is met.**
* **Exception: Using knowledge of the local area activity acquired through the performance of monthly desk reviews, the monitor may select a different quarter within the program year for review. The monitor must discuss the quarter they are intending to select with their supervisor and document in the Monitor’s Narrative the increased risk in the quarter that is being selected.**

## **Risk Consideration**

When performing your review and making sample selections, consider risk. There are three types of risk: Inherent Risk; Control Risk; and Detection Risk. Each type of risk, as well as the LWDAs near-term history of Findings and other non-compliance issues, are considered in the annual risk assessment performed for each local area. See the risk assessment criteria and impact on review sample size described below.

* Inherent risk is that risk built into the transaction that cannot be controlled directly by control activities. For example, these include the risk of complexity to the transaction, politics, a transaction that requires judgement (error in judgement based on imperfect information and/or ignorance to bias). Look for control activities that identify conflicts of interest, develop review processes by multiple people for independence, and diversify decision making.
* Control Risk is the risk that your internal controls are not sufficient to detect an error. To evaluate this risk, you are looking at the built-in checks and balances that, if followed, would prevent an error being made or carried forth because there was a control activity in place that identified that error.
* Detection Risk is the risk that we, the reviewer/monitor, do not have a sound review guide and plan in place to identify instances of error. You must still evaluate this risk to ensure that your review plan is providing you the best opportunity identify errors. If the audit guide you are following is not the best fit for the structure of the reviewee, your charge as a monitor is to document your observations and redefine your process to mitigate the risk that you will not detect error.

## **Risk Assessment Criteria for Sample Size Determination**

*The Following Criteria was used to determine each local area’s risk for PY 22 activities – Low Risk or Standard Risk (if any of the four criteria exist, then the LWDA will be determined to be Standard Risk):*

1. A change in the previous year in the local staff of an LWDA that are designated as the Fiscal Manager (or equivalent title) that we feel lack prior local area experience for taking over the primary responsibility for the LWDA Financial Management System Standards. (2 CFR §200.302).
2. Three or more Findings in the Last Consolidated Annual Fiscal Review Cycle and/or any disallowances of funds in the previous review.
3. A Single Audit Finding from the previous Consolidated Annual Fiscal Review that was found after Field Monitor analysis to have a substantial effect on WIOA funds.
4. A LWDA has recurring and egregious problems with Monthly Financial Reporting during the previous year, to include cash on hand in excess of five days, PeopleSoft entries and desk reviews.

Risk level is evaluated annually by a committee of FOTA supervisors. This process is separate from the Annual Review and done beforehand. The risk level designation for each LWDA will be detailed in the Excel work papers on the risk assessment tab. A **standard-risk rating** means the monitor will perform standard sampling and all exhibits as prescribed in this guide. A **low-risk rating** means the monitor will reduce sampling by eliminating detail testing of selected review exhibits. The low-risk exhibit matrix is depicted in the following table.

**Low-Risk Exhibit Matrix**

|  |  |
| --- | --- |
| **Exhibits required to be performed annually:** | |
| * Ex. B Staffing functions and LWDA organization * Ex. 1 Monthly reporting financial testing * Ex. 1b Closeout of expired funding * Ex. 4 Non-personnel services (NPS) testing * Ex. 12 Subrecipient Monitoring | |
| **Exhibits required to be performed when monitoring Program Years ending with EVEN numbers:** | **Exhibits required to be performed when monitoring Program Years ending with ODD numbers:** |
| * Ex. 3 Staff payroll testing * Ex. 4 Fringe benefit testing * Ex. 6 ITA and Supportive Service testing * Ex. 8 Customized training/Incumbent worker training/Transitional jobs testing * Ex. 11 Property management review | * Ex. 1A Reconciliation * Ex. 2 Cost allocation plan narrative and walkthrough * Ex. 7 OJT testing * Ex. 9 Youth Work Experience wages and stipends/incentive testing * Ex. 10 Procurement review |

## **Review Outline**

1. Contact the entity to begin the review process.
   1. **Initial outreach email**: The purpose of this email is to set up a review schedule, including a date for the entrance conference, plan for the on-site field visit, and request documentation you will need to make your samples selections. Inform the LWDA that you will be conducting a hybrid consolidated annual fiscal review with at least one day on site, such as for the Property Management review, and to follow up for any additional needed documentation after the initial waves of documentation are received remotely. Note, monitoring time on site is not anticipated to exceed four days unless review circumstances necessitate additional time. Provide the LWDA five business days to fulfill this initial request. You must request:
      * The Check Register/Expenditures Ledger/reports for the designated quarter sampled or (you may request for the entire period in review, depending on your local area flexibility – regardless, the Expenditures Ledger/report for entire period will be requested at a later date),
      * The payroll register for the pay period selected for review,
      * The chart of accounts, and
      * The fiscal policies and procedures that detail internal control over cash management activities.

Once the above requested documentation is received, scan the ledger and the payroll register to make your expense selections of each type for your review. **You must make all sample selections and have your work papers set up prior to your field visit.** See additional sampling guidance for each Exhibit contained within this guide.

**Closeout Review sampling considerations**: For grants subject to Closeout Review, if accruals were reported on June WIOA reports or September TAA reports, you must select a representative sample for those accruals to ensure that accruals were incurred and liquidated within the Closeout period. Include all selected closeout accrual samples reported by funding sources and PYs, if any, and request a copy of backup for those expenses, as detailed in the Exhibit A template. A separate accruals testing schedule is not required; your sampled accruals can be added to the existing work papers for Exhibits 3 to 9.

* 1. **Second Email:** Share your selected samples with the LWDA so they may begin to organize the backup documentation you will need for the review. You must also share your selections identified on Exhibit A. See additional sampling guidance for Procurement beginning on page 12, Property Management beginning on page 13, and Subrecipient Monitoring beginning on page 14 of this guide. In this email, communicate to the LWDA that when you arrive on site, you will be engaging with the LWDA staff to complete Exhibit B, and to begin completing the first part of the Monitor’s Narrative, which documents the entity’s Organizational Structure and Staff Functions. In addition, if there are any unresolved prior review findings, the monitor needs to notify the LWDA in this Second Email communication that a follow-up on prior review unresolved finding will be conducted as part of this review process. Document the current status prior review findings in the Monitor’s Narrative.

**Note:** For any documents that must be transmitted between the LWDA and State that contain Personally Identifiable Information (PII) or are too large for standard email servers to transmit, we have a file share system available to us – Aspera Connect through mysend.ny.gov. This file share service does not restrict file size and will safeguard PII. Provide the link to the LWDA with your initial documentation request so they may upload directly to the file share service. Please note this is a temporary file share server – documents will be deleted 14 days after upload. You must pull documents from the file share and save them on the NYSDOL network drive, so you do not lose access.

* 1. When the entrance conference is held, note details of the meeting in Exhibit 15 Entrance Conference. The exhibit template, included within this guide, requires both name and job title of each person in attendance for the conference.
  2. Communication leading up to the field visit must be timely and ensure the monitor and the LWDA are prepared for the agreed upon on-site date(s). The LWDA must be available to engage with the monitor while the monitor is on site. It is understood the LWDA is continuously operational and a field visit for monitoring occurs in addition to daily operations. For this reason, the minimum expectation is for LWDA staff to be available to engage directly with the monitor for the entrance conference, daily meetings, and the exit conference. The exit conference establishes the starting point of the 45-calendar-day timeline for review and report completion, supervisory review, and report issuance.
  3. Projected Review Timeline (days are identified in terms of business day, not calendar day, unless specified):
     + Day 1 – The Monitor sends initial outreach email
     + Day 6 – First request due from LWDA to Fiscal Monitor
     + Day 6 to 10 – Second email. After receiving the first request, the monitor must make expense selections for testing, complete the Exhibit A request, and send all selections back to the LWDA
     + Day 11 - Entrance Conference (approximately two weeks from the outreach email)
     + Day 21 - Supporting documentation for expense selections are due from the LWDA to the Fiscal Monitor so the monitor may perform review testing
     + Day 22 to 26 – Kickoff to FOTA monitoring week; **this is likely when the on-site field visit component of the review will occur**
     + Day 27 to 31 – Review wrap-up, exit conference planning
     + Day 32 – Exit Conference
     + Day 77 (in calendar days) - this day marks 45 calendar days from the exit conference and is the deadline for final report issuance.

1. Have available a copy of the Monthly Financial Reports (MFRs) package – Monthly Statement of Daily Cash Transactions (MSDCT), Monthly Summary of Cash Reports (MSCR), and PeopleSoft Accrued Expenditure Reports (AER) submitted to Albany, for **one selected month from your sampling quarter**, and label as Exhibit 1—MFRs. If the monitor identifies this exhibit has elevated risk, the monitor must discuss with their supervisor and determine if there is cause to review more than one month from the sampling quarter. Examples that may necessitate sampling more than one month may include, but are not limited to, prior findings related to MFRs or monthly reporting errors. Document the basis for an expanded selection in the Monitor’s Narrative, gather all stated documents and perform a review of the MFRs in accordance with procedure 3.
2. Using the MFRs, confirm the accuracy of the amounts reported (including receipts, daily disbursements, monthly disbursements, program/interest income, stand-in costs and contract advances*) by comparing them to the official books of account*, subsidiary records (sub-ledger), worksheets, and *bank statements*. Indicate in your work papers (or on the individual MFRs) those amounts sampled and note any differences you observe in **Exhibit 1 Diff btw MFRs and LWDA**. Investigate and explain the differences. Identify what documents were used to complete this analysis. Copies of the official books of account used are to be maintained as part of the work papers and labeled as Exhibit 1—LWDA’s Book of Account. The monitoring objective of this procedure is to confirm that cash receipts have been recorded correctly in the books of account and monthly reported expense amounts in PeopleSoft are supported by the entity’s official books of accounts via the accounting system’s generated reports for the selected month(s).
   1. For multi-entity LWDAs, if the grant subrecipient counties submit AER, MSCR and MSDCT reports to Fiscal Agent, complete Exhibit 1 to determine if the sum of the subrecipients’ reports equals the whole for the AERs (PeopleSoft report), MSCR and MSDCT. Comment on any differences. This ensures that the Grant Recipient’s record is free of error or misstatement at the multi-entity component level. Further, this verifies that the summary level reporting to NYSDOL is accurate by funding steams as well as overall total. Note and explain any discrepancies in the review narrative, Exhibit 14, and Exhibit 1. You will need to modify your work paper to be representative of a multi-entity LWDA as needed.
3. Reconciliation (Cash Management): Examine the LWDA’s reported ending cash balances on the monthly reports and compare to the LWDA’s official books of account. The official books of account for a LWDA may vary based on the organization’s structure. Procedures to guide what consideration must be given to organization structure and reconciliation are detailed below:
   1. Organization’s structure and objective:
      * If you are monitoring a LWDA that is within a county, such that it is a County Department, the official books of account may be kept within a specified County Fund, but the chart of accounts that holds WIOA assets, liabilities, revenue and expense, may not be maintained to a level of specificity that permits comparison to monthly reports. In situations like this, the monitor is responsible for identifying how reporting is tied at the summary level, back to accounting-system-generated report balances.
      * If the LWDA Fiscal Agent is a non-profit, they are most likely responsible for maintenance of their own bank accounts and general ledger. In this circumstance, they may be able to provide accounting-system-generated reporting that ties directly to monthly report balances.
      * There may be other organizational structures that do not fit within these examples. The monitor must document the understanding of the entity in the Monitor’s Narrative and detail how reconciliation is performed by the LWDA and how it is reviewed by the monitor during the CAFR.
   2. Reconciliation supporting documents and monitoring considerations:
      * If able to be obtained, examine the **bank reconciliation** (between the bank statement and/or Treasurers’ account balance and the official books of account)
      * If the bank reconciliation is not able to be obtained or does not contain ETA grant-funded itemization of comingled cash accounts, obtain the source document cash management reconciliation tool used by the LWDA to support ETA grant-funded cash balances for the most current month under review
      * Obtain a listing of **outstanding checks** and booked receivable balances (if applicable) to support cash reconciliation detail
      * If you are not able to obtain a listing of outstanding checks, document the process by which the LWDA fiscal staff reviews expenditure liquidation, and evaluate their process to conclude how the LWDA confirms cash disbursement of an expense has occurred
      * Examine the supporting documentation obtained to conclude if cash balances reported on the monthly reports by program year and funding stream are supported by the entity’s official books of account and the cash management reconciliation source document(s) (bank reconciliation or other)
      * Retain copies of all source documents utilized to support that cash balances reported to NYSDOL for ETA grant monitored funds are supported by the entity’s official books of account; label as Exhibit 1A and save in the electronic review file
      * Comment on the Exhibit and the process used to reconcile grant funds, as well as any discrepancies between the bank statements, treasurers’ records, cash reconciliation supporting document(s), official books of account and MSCR ending-report balances and include this content in the Monitor’s Narrative
      * Is the entity performing reconciliations monthly between their official books of account, their bank statement or treasurers’ account balance (or other cash reconciliation document) and the WIOA individual program fund report balances?
      * Conclude if Cash Management controls support monthly cash balances and reconcile from bank – to book – to report
4. **Closeout of prior Program Years:**

A Closeout review will be conducted over all ETA grants subject to closeout, for which the period of performance ended during the program year in review. Label the Closeout Review(s) Exhibit 1B Closeout. For the Closeout review portion – review the official books of account for each of the closeout grants that are subject to review, as well as any **Journal Entries** (JEs) covering the period since the last Consolidated Annual Fiscal Review was completed, which affect the grants being closed out. Examine the expenditure totals to see if they match those reported on the closeout reports. Were there any accruals reported to any of the grants in the final months’ report that needed to be liquidated? If YES, sample and review the dates the expense was incurred for allowability during the grant period. Examine the JEs to see if they are reasonable and if documentation exists to support the action taken. Consider control activities regarding JEs. Document who drafts JEs, who reviews and approves JEs, who posts JEs. Does the source documentation used as backup for the JE contain the reason the JE was completed, and is the documentation proper for record-keeping? NOTE: Was the JE transferring expenditures from one Program type to another? This type of entry needs to be evaluated for allowability, if the expenditures transferred are, for example, Adult expenditures and they are now transferred to Youth. The JE may not be allowable due to the nature of the expenditure being Adult and not Youth. Note any differences found on the Closeout review at Exhibit 1B Closeout and note the conclusion in the Narrative Exhibit 14 and if a finding is to be reported.

1. Include a copy of the entity **Cost Allocation Plan** or approved **Indirect Cost Rate** letter(s) that is valid for the review period. Include supporting documentation within the electronic review file at Exhibit 2.
   1. Cost Allocation Plan: Review the plan to ensure it is comprehensive and can be used consistently to allocate all costs as necessary. Review the TAG Chapter II-8 to determine whether the plan includes all required documentation. When you look at the plan, are you able to determine how to cost allocate the entity’s expenditures? Does the plan have attachments and footnotes to describe the process they use to allocate each of the cost categories? Does the plan result in percentages that can be easily applied to the expenditures? If participant counts are used, is backup maintained that ties out to the percentages figured? **Walk through one complete month of the Cost Allocation Plan calculations within the sample quarter noting each step of the process.** The objective of the walkthrough is to test the derivation of cost allocation percentages for the various cost categories defined in the CAP. **Develop an Exhibit 2 tab in the Excel work paper template to document the walkthrough of the CAP.** If the CAP identifies several cost categories, the monitor must make a representative selection of cost categories to walk through within the selected month. There is no template format for this work paper because the derivation of allocation percentages is specific to each LWDA plan. **If the monitor is able to successfully walk through the cost allocation plan, determines the plan to be compliant, and concludes the plan is sufficient and able to be applied consistently, the monitor does not need to perform additional cost allocation percentage testing in the later exhibits**. The percentages derived by the LWDA can be accepted. Therefore, cost allocation percentages are not re-tested in later exhibits; the accepted percentages are verified to have been applied correctly to each expense tested in Exhibits 3-9. See supporting discussion on this matter in Procedure 9. On the contrary, if discrepancies are identified in the Exhibit 2 walkthrough, the monitor must discuss the next steps with their supervisor and document the course of monitoring action taken in the Monitor’s Narrative.
   2. Indirect Cost Rate: If the entity has a federally approved Indirect Cost Rate, verify that the approval was received from a cognizant federal agency and that the rate used for the expenditures is valid for the time frame of all sampled expenditures covered for this review period. Use 2 CFR 200.405, 200.419 as references, as well as the TAG Chapter II-8. Alternatively, in accordance with 2 CFR 200.414(f), any non-Federal entity (NFE) that does not have a current negotiated (including provisional) rate, except for those NFE described in Appendix VII to Part 200, paragraph D.1.b, may elect to charge a de minimis rate of 10% of Modified Total Direct Costs (MTDC), which may be used indefinitely. No supporting documentation is required to justify using the 10% de minimis indirect cost rate. However, all reported grant costs must be supported when using a federally approved rate or the de minimis rate. Documentation must be provided that identifies how the MTDC base was derived and used to calculate indirect cost expense to the grant, so the monitor can evaluate if indirect cost charged to the grant is valued appropriately. In addition, as described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double-charged or inconsistently charged as both. To verify this, the LWDA must have an accounting system in place, or a method of sub-ledger accounting, that isolates indirect cost from direct cost and charges the indirect cost to the grant. This ensures the indirect cost is matched with the grant revenue source that funded the expense.
2. Scan payments made via the check register/expenditure ledger for the selected sampling quarter chosen for the review. The following expenditures may be subject to sampling: **Payroll; Fringe benefits; Non-Personnel** **Services (NPS) expenditures (such as utility bills, staff travel, supplies, postage, copy expenses, Youth Contract payments, lease agreement payments, equipment purchases, staff travel, and other contract service payments)**; **ITA’s; OJT’s; Customized Training; Incumbent Worker; Transitional Worker; Youth Work Experience; Supportive Services; and Incentives/Stipends.** The samples selected must conform to sampling guidance in this guide (see page 17 for Exhibits 3-9). When making your sample selections, you must consider the inherent risk of each classification of expense in your population and focus your sampling on higher risk expenses for the exhibit you are reviewing. Examine source documentation for details of the expense and review bank statements/outstanding checks, or other check liquidation support, to determine if checks have cleared. Complete the review of each type of expense listed in Exhibits 3-9 in the Excel work paper template. Review the Uniform Guidance Code of federal regulations to understand allowable cost. Review WIOA Law and local policy applicable to each expenditure sample.

1. WIOA implemented requirements relating to Youth participants that must be reviewed. Select a sample of **Youth Work Experience** (YWE) expenditures, including participant wage and fringe benefits, YWE Incentives paid, YWE Stipends paid, YWE Supportive Services paid, and any other isolated YWE direct expense (not captured in prior exhibits) reported by the entity to the 20% YWE category on their monthly reports. **Follow the applicable sampling guidance on page 20.** Prepare Exhibit 9-YWE, or if Youth Work Experience wage is paid through the payroll of the NFE being monitored and payroll records are part of NFE staff payroll, you may include this with your Exhibit 3 Payroll testing and make a note in Exhibit 9-YWE that YWE Wage is sampled as part of Exhibit 3- Payroll. Things to think about and focus on when reviewing: Is the entity keeping track of and recording the YWE expenditures appropriately to meet 20% spending requirement? If the LWDA is having or has had difficulty achieving the 20% expenditure rate, evaluate and then apply your understanding of the entity’s operations and identify any YWE activities that may not be appropriately classified as YWE. Review WIOA 681.590, 681.460(a)(3), 681.600, 681.640 and TEGL 09-22 (which supersedes TEGLs 8-15 & 21-16) for items that can be reported as YWE expenditures and requirements for Incentive payments. The entity must be able to provide you with all expenditures that are reported on the MFRs that make up the 20% YWE total. Note any observations in your review narrative, Exhibit 14. NOTE: TEGL 09-22 provided for youth supportive services that are aligned with work experience to be reported to the 20%. In accordance with this guide, Supportive Services are tested with Exhibit 6. Therefore, when testing Supportive Service, which was expensed in accordance with Youth Work Experience service provision, you must verify if it was allocated to the Youth Work Experience funding line on the books as well as the reports.
2. As stated above in Procedure 6, Cost allocation percentages applied to each sample selection in exhibits 3-9 must be verified to ensure that they have been applied correctly. This includes verifying expenses are properly allocated between WIOA funding sources as well as Non-WIOA funding sources, in accordance with the Cost Allocation Plan tested in Exhibit 2. If there were no discrepancies identified in the cost allocation walkthrough performed in exhibit 2, you may rely on the cost allocation percentages derived by the LWDA when tracing the percentages applied to each sampled expense in each exhibit. If the LWDA has been determined to be low-risk and the current monitoring year does not require exhibit 2 to be completed, you may also rely on the allocation percentages derived by the LWDA when tracing the percentages applied to each sampled expenses in each exhibit. Things to think about: Did the entity apply the Cost Allocation Plan percentages accurately to the sampled expenditures? If not, investigate the source of the error and identify if there is a risk that the cost allocation plan is routinely not followed or applied consistently. If there is a pervasive risk regarding cost allocation, elevate this concern to your supervisor for next steps.

**NOTE:** Budget amounts can be used in the interim for allocating costs, but if budget is the primary allocation base, those amounts MUST be periodically reconciled with the actual benefit received and allocated and adjusted based on some actual method.

1. Procurement Review:
   1. Procurement is a biennial review. You will need to evaluate the dates of the prior review and determine if the procurement review is due for the current review period in scope.
   2. Gather and review Procurement Policy and Procedure (P&P) for the LWDA and label as Exhibit 10—Procurement Policy & Procedures. Draft a procurement narrative that addresses (1) Procurement Controls, (2) Internal Controls, and (3) Understanding the Entity. Your procurement narrative must be embedded in your review narrative at Exhibit 14, and must address each of the following:
2. Date of last policy and/or procedure revision. Explain who maintains the Policy and Procedure. If the procurement action of the LWDA is guided by more than one policy and/or procedure, include all documents and detail the hierarchy of how the documents are applied to a procurement action. For example, in some LWDAs, procurement actions flow through a County Purchasing Department, and then county policies for federal grant and award procurement actions are applied.
3. When compared to 2 CFR 200.318-326, does the policy direct compliant action in accordance with Procurement Law?
4. When compared to 2 CFR 200.318-326, is the procedure able to be followed and applied consistently to all procurement actions?
5. Are there controls in place to mitigate the risk that Procurement Law would be violated, whether by fraud or error?
6. Do the policy and procedure require adequate maintenance and retention of supporting documentation to support the audit trail of a procurement action?
7. Include in the Monitor’s Narrative Staff Positions involved in procurement processes.
8. In conclusion of the Monitor’s Narrative, consider: Does the LWDA’s Procurement P&P direct compliant procurement action, with incorporated internal controls, which provide checks and balances necessary to mitigate the risk that goods and/or services procured using public funds, will not be contestable, or perceived as contestable procurement actions by either an interested or uninterested party?
   * + 1. If the answer is YES – you are concluding that Procurement P&P is adequate.
       2. If the answer is NO – you are concluding that Procurement P&P is not adequate to support consistent compliance with Procurement Law. You must identify the inadequacies noted on review and determine what corrective actions must be taken. This will be narrative support for any findings issued in the letter.
   1. Informal Procurement Methods – Micro Purchase and Small Purchase, 2 CFR 200.320(a)(1) & (2):
      * Test the LWDA’s adherence to Procurement P&P by applying your understanding of the P&P to the expenditure selections in Exhibits 5 (NPS), Exhibit 6 (SS), and Exhibit 4, if applicable. For each of these expenditure items, you will determine if the Procurement P&P applies. If it does, you will review the expenditure transaction to ensure the P&P was applied consistently and correctly. You will seek to conclude that the procurement action was made in accordance with LWDA Procurement P&P, as well as OMB Procurement Law. The results of this testing will be performed in your Excel work papers, Exhibit 10—Procurement Part A.
      * Scan the expenditure ledger requested in Exhibit A. Using your understanding of the LWDA P&P thresholds and with awareness for the OMB Procurement Law, scan the complete listing of expenditures by expense account classification. Focus your ledger analysis on NPS account codes. Look for dollar value expenditures within the micro and small-purchase thresholds and look for multiple same-similar-or like expenditures, which when added together, exceed the micro and small-purchase thresholds. If upon scan of the expenditure ledger, you identify any instances in which the Procurement P&P were not followed, evaluate the risk, and consult with your supervisor to see if the risk necessitates additional review steps. If upon scan of the expenditure ledger, you do not see an apparent risk that procurement was violated, conclude this in your work papers. Retain the complete list of expenditures by account code within your electronic work paper record to support the review conclusion.
   2. Formal Procurement Methods – Sealed Bids and Proposals, 2 CFR 200.320(b)(1) & (2) —Using your documentation request at Exhibit A, in which you requested a listing of the complete population of formal procurement methods to include Sealed Bids and Proposals during the period in review, make a selection for testing.  Include the complete population listing provided by the LWDA and support your haphazard sample selection using risk as the basis for sample size and selection. All testing for this section will be performed in the Excel work papers, Exhibit 10—Procurement Part B.
   3. Non-competitive Procurement 2 CFR 200.320(c)—Using your documentation request at Exhibit A, in which you requested a list of the complete population of Non-competitive procurement actions pursued during the period in review, make a selection for testing. Include the complete population list provided by the LWDA and support for your haphazard sample selection using risk as the basis for sample size and selection. All testing for this section will be performed in your Excel work papers, Exhibit 10—Procurement Part B.
   4. Contract Review Appendix II, Part 200—Using your documentation request at Exhibit A, in which you requested a list of the complete population of contracts the LWDA is currently engaged in – and building off of sampled formal and non-competitive procurement actions reviewed, make a selection of contracts to test. Include the complete population list provided by the LWDA and support your haphazard sample selection using risk as the basis for sample size and selection. All testing for this section will be performed in the Excel work papers, Exhibit 10—Procurement Part B.
   5. Conclude the results of your testing in Exhibit 14—Monitor’s Narrative. Organize the procurement testing narrative to address the three sections of testing (Informal Procurement Methods, Formal Procurement Methods, and Non-competitive Procurement) in your narrative. Include in the narrative any instances in which you found the LWDA violated their own Procurement Policy and/or Procedure, as well as any instances in which you find the LWDA violated Procurement Law. If there are any findings, detail them here as well as the corrective action needed. This will be narrative support for any findings issued in the letter.
   6. Complete Post Review Survey questions in Exhibit 13, Section “I”.
9. Property Management Review:
   1. Property Management is a biennial review. You will need to evaluate the dates of the prior review and determine if the property management review is due for the current review period in scope.
   2. Review the entity’s Property Management policies and procedures requested in Exhibit A and label as Exhibit 11—Property Management Policy/Procedures. Review the P&P for compliance with 2 CFR 200.310 to 200.316. Summarize the LWDA policy and procedures and staff involved in the process. Identify any control activities that mitigate the inherent and control risk. State the definition for each property classification and dollar amount threshold for each classification (equipment, furniture/fixture, portable items, etc.). Include this in your narrative at Exhibit 14.
   3. Obtain a copy of the entity’s current property inventory list(s) label as Exhibit 11—Inventory Records.
   4. Scan cash disbursement journals or equivalent to ensure that any property purchased since the last review has been added to the inventory list. Use the complete expenditure listing requested in Exhibit A.
   5. **Select a sample from the entity’s current inventory lists, including both Equipment and other Property**. Support justification for your sample using risk, inventory volume, and inventory age as the basis for your sample selection.
   6. Perform physical inventory of your selected sample as listed on the inventory records provided by the LWDA and Label as Exhibit 11. Note the results of your reperformance of the physical inventory for your selected samples; identify discrepancies and include discrepancies in the Property Management section of the Monitor’s Narrative.
   7. Complete the Post Summary Review questions in Exhibit 13, Section “J”. Be sure to comment on any questions answered “No” in your review narrative and outline whether these will be reported as findings, citing the required regulations. If no finding, state the reason why if the question was answered as “No”.

**Types of Property (Attachment II-11-1)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Types of Property** | | | |
| **Real** | **Personal** | | |
| Land, including land improvements, structures, and appurtenances thereto, but excluding moveable machinery and equipment (not allowable under the WIOA program) | **Tangible** | | **Intangible** |
| **Nonexpendable (Equipment)** | **Expendable (Supplies)** | Without physical existence: patents, trademarks, or copyrights that are produced or acquired under the grant |
| Useful life of more than one year and a unit acquisition cost of $5,000 or more | All else |
| ***Note:*** *Debt instruments and inventions are tangible property and are specifically excluded from the supplies category.* | | | |

\*Table is a recreation of an image sourced from the [One-Stop Comprehensive Financial Management Technical Assistance Guide, Part II](https://www.dol.gov/sites/dolgov/files/ETA/grants/pdfs/TAG_PartII_July2011.pdf)

1. Subrecipient Monitoring:
   1. Obtain a copy of the entity’s current Subrecipient monitoring policy and plan. Label as Exhibit 12–Subrecipient Monitoring Policy/Plan.
   2. Review the LWDA’s monitoring Policy and Plan to determine if the Policy/Plan is in compliance with TA #21-05 and complete Exhibit 13 Post Review Survey, Section “K” Subrecipient Monitoring.
   3. Compile a list of all of the LWDA’s subrecipients that were required to be monitored by the LWDA during the current review period by completing **Section A** of Exhibit 12–Subrecipient Monitoring tab in the Excel work paper template. Identify the programs funded through the subrecipient relationship. Identify the contracted period, and the total amount of funding awarded to each subrecipient. Identify the total funding passed through or reimbursed to the subrecipient for the period reviewed. Finally, determine if the LWDA performed the subrecipient monitoring by obtaining a copy of the issued monitoring report and save a copy of each monitoring report in the Exhibit 12 electronic file. *For the current PY22 review, NYSDOL fiscal monitors are reviewing the LWDA’s subrecipient monitoring review of its of PY21 subrecipient contracts.*
      * The performance of Subrecipient monitoring with the resulting subrecipient monitoring reports issued by June 30th (for the most recently completed contract year) is the minimum standard. Best practice is to perform Subrecipient monitoring as close to the end of the contract period as possible. Timely performance of subrecipient monitoring reduces the risk that an error may continue into the next program year and provides opportunity for correction within the period of performance of the funding.
   4. From the list generated in Section A, select a sample of LWDA’s monitoring reviews performed. Complete Exhibit 12, **Section B (I)** – Samples of LWDA’s Monitoring Reviews. Gather the work papers and determine if the monitoring reviews were conducted in accordance with the LWDA’s monitoring policy/plan. Were review exit conference dates noted? Were reports issued within 45 calendar days of the exit conference? Have monitoring reports been issued to all required individuals on the distribution list as defined in TA 21-05? Were there findings? Was follow-up on findings performed or is it in process? Is finding follow-up being performed in accordance with LWDA policy? The LWDA is responsible for evaluating each subrecipient’s risk for noncompliance with federal regulations and the terms and conditions of the contract. This includes review of the subrecipients’ audit reports to determine whether the subrecipient receives a Single Audit in accordance with 2 CFR 200 Subpart F–Audit Requirements. Gather documentation necessary to evaluate work paper template questions related to Single Audit.
   5. Complete Exhibit 12, **Section B (II)**–LWDA’s Monitoring Work Papers Checklist Review. Review the monitoring work papers completed by the LWDA you’ve selected for testing. Did the LWDA review conclusion document that expenditures were supported, allowable and allocated appropriately? Did the basis for LWDA testing appear appropriate and sufficient to support the monitoring conclusions drawn? Did the LWDA document the review process to include entrance and exit conference dates? Did the monitoring performed utilize the prescribed monitoring guide dictated by local policy? Respond to work paper template questions identifying if the monitoring performed by the LWDA over each applicable review section and exhibit has been “C” completed, “N” not done, or is “N/A” such that it is not applicable. Concluding a review section and exhibit has been completed does not require reperformance of the monitoring.
      * For any response that indicates something is not done, evaluate the risk incurred by not completing that section or exhibit in the review. For all “N/A” responses, indicate why the particular section of the review is not applicable. Document monitoring results in the work paper conclusion as well as in the Monitor’s Narrative. For any instance in which the NYSDOL monitor observes that required monitoring was not performed, elevate the concern to your supervisor for internal discussion prior to the exit conference.
   6. As stated, ensure you detail all exceptions found in the Monitor’s Narrative and note what corrective actions need to be taken by the entity along with the timetable for the action to be developed and implemented. Document any technical assistance provided to the LWDA regarding monitoring review and maintenance of audit document showing audit process/trail in FOTA's Comment section for each type of review.
2. Based on your observation, discussions with staff, review of policies and procedures, sampling, and analysis, complete the **Post Review Survey** (Exhibit 13) as applicable. Outline the reason any of the answers are “NO” by providing explanations and whether these are findings or not. If not, why? Discuss with supervisors if needed to assure consistency with your review.
3. Summarize your monitoring in the **Monitor’s Narrative** in Exhibit 14 under each review heading as appropriate. Detail all exceptions found. Note any technical assistance provided, the results of the current analyses and recommendations, appropriate timeframes for corrective action, and/or issues requiring immediate attention (if any). Detail any findings that will be included in the report along with the compliance requirements.
4. Arrange and conduct an **Exit Conference**. The Exit Conference may be completed in-person or remotely. Prior to holding the Exit Conference, all review exhibits must be completed, and all findings must be noted and cleared with supervisors. All fiscal staff of the LWDA and the Workforce Development Board (WDB) Executive Director must be invited to the Exit Conference.  If necessary and where appropriate, NYSDOL program staff and the LWDA program staff can be invited as well. **Detail** the conversation in Exhibit 15, including all items and findings discussed and resolutions needed. If follow-up Exit Conferences are held, detail the additional dates and conversations in Exhibit 15.
5. Finalize the work papers and report/letter for supervisor review. Maintain your record of all working documents on the Server so your supervisor may access these documents. Notify your supervisor of the location of the documents and that they are complete and ready for review.
   1. NYSDOL efforts to become paperless continue. All reviews will be maintained electronically on the server. The file path to the most recent review will be: [\\dol-smb\dol\_shared\DOL0A1FS1\Dews-Data\dews-QA-Central\Prog&FiscalTA\Field\FOTA](file:///\\dol-smb\dol_shared\DOL0A1FS1\Dews-Data\dews-QA-Central\Prog&FiscalTA\Field\FOTA). Once you are in the FOTA file folder on the network, you will select the LWDA being monitored. Within the LWDA-specific folder, you will select “Review File.” In this folder, you will have two folders. The first is the “Annual Electronic Review File” – this folder contains the most current review and/or in-process review. The second folder is titled “Archived Electronic Review File” – this folder contains the seven most recent reviews.
   2. In the current review folder, titled Annual Electronic Review File, there are file folders for Exhibits 1 through 16, Exhibit A, and the Excel work paper compilation (in standard agreed-upon format).
6. You will save all information provided by the LWDA, which was requested in Exhibit A, in the Exhibit A folder. This folder is not a working folder – this folder only holds documents provided from the LWDA to fulfill your initial request.
7. You will save all review supporting documentation used for each exhibit in that exhibit’s respective folder. Therefore, the only contents in the exhibit folders are those files that support your testing and review process for selections made.
8. You will maintain Excel work papers as you perform your review. When your review is complete, the final Excel work papers compilation will be saved in this folder. This will be the file your supervisor uses while reviewing your work in comparison to your final report draft and narrative.
   1. The electronic file must be maintained in standard form without duplicate information in various file folders. Although customization will be required to a certain extent in the Excel work papers, efforts should be made to minimize deviations from the standard format. If you feel that you cannot progress with your testing using the work papers templates, consult your supervisor prior to making any changes.

1. Issue the report/letter once approved. Label as Exhibit 16. Post all finalized electronic work papers, guide and report(s)/letter(s) (including follow-up) to [Salesforce](https://nysdol.my.salesforce.com/).
2. Follow up on any weaknesses within 60 calendar days of issuance, if corrective action is required, and issue a follow-up report/letter. Follow up report/letter issuance(s) must also be posted to [Salesforce](https://nysdol.my.salesforce.com/).

**Exhibits 3-9 - Instructions**

##### Sample of Expenditures

1. **Staff Salaries: Exhibit 3-PR**

* 2 CFR 200.430 Compensation–Personal Services
* Review the entity personnel policies to understand how payroll is performed within the LWDA.
* Sample one (up to two) payroll periods from your sampling quarter. *For entities with grant-funded staff greater than ten (10) people, limit your sample size to a maximum of ten (10) staff.*
* Trace sample to payroll registers.
* Examine timesheets, cumulative leave records, bank statements and/or canceled checks.
* Verify leave taken is in accordance with the LWDA established policy, such that paid time off was allocated in accordance with CAP and leave balances were affected appropriately for leave time used and earned for your sampled payroll.
* Note all difference(s) found in the Monitor’s Narrative.
* Consider the following common control activities: Are the timesheets signed by both the employee and the supervisor? If time tracking is electronic, what control activities are in place to support internal controls over payroll? Can you conclude internal controls are sufficient to identify and correct payroll errors within a reasonable and actionable period of time?

1. **Fringe Benefits: Exhibit 4-Fringe**

* 2 CFR 200.431 Compensation–Fringe Benefits
* Gather and review fringe benefit compensation offerings as contained on local policy. You will need to have a full understanding of all fringe benefits offered and how fringe benefit expense is calculated. If the entity has an approved fringe benefit rate, obtain a copy for the work papers. You will need to understand the components of the fringe rate and evaluate each component for allowability at the summary level to ensure fringe benefit rates do not include specifically unallowable costs, not allowed by federal funds. Verify the agency approving the rate is acceptable per the OMB’s guidelines.
* *Select one (1) type of fringe benefit for testing. Your selection must consider the inherent risk of the different types of fringe benefits expensed.*
* For example, FICA is a relatively low-risk payroll withholding, which should not be considered for testing, unless the monitor documents circumstances which indicate this withholding was determined not to be low-risk. Fringe benefits that have rate fluctuations or benefit plan elections represent a higher risk that an error may go undetected and therefore would be more appropriate to sample. You are not precluded from testing the same fringe benefit in consecutive years if the fringe benefit selected is routinely the highest risk.
* Verify rates and calculations for *your selected sample***.** Include a copy of the current rate verification and/or bill as part of the work papers for each sampled type of fringe benefit expensed to WIOA funds. You will need to summarize the fringe arrangement for each benefit on your work papers so you can define the expectation for your testing. There may be fringe benefits sampled that are not captured on the work paper template. If so, you must add the fringe analysis in similar form to those already included in the template. NOTE: A county entity should be receiving rate verifications at least annually from their county department that handles fringe benefits. Label as Exhibit 4—Entity’s Fringe.
* Investigate all differences.
* For non-profit agencies *who do their own payroll*:
* Ensure agency is current on payment of federal and state withholding taxes by examining most recently completed quarter's **941 and NYS-45** reports submitted, as well as payments made for those items.
* Ensure agency is current on payments to NYSDOL for Unemployment Insurance.

1. **Non-Personnel Services: Exhibit 5-NPS**

* Review local policy to understand how non-personnel expenditures are expended and allocated with in the local area.
* *Select ten (10) NPS expenditures to review from the sampling quarter*.
* Obtain electronic copies of all leases and contracts where payments were made from the sample selected.
* Ensure that payments for staff travel (if any) are in accordance with the entities established policies.
* Ensure the LWDA obtained approval from NYSDOL for any equipment, renovations, or capital improvements in excess of $5,000. (Technical Advisory #17-3).

1. **Individual Training Accounts (ITA) & Supportive Services: Exhibit 6-ITA & Supportive Services**

* Training (20 CFR 680.300 to 680.350 and TA #09-2.1): Review local ITA policies and procedures applicable to the sample quarter. Verify policies are compliant. Is the current policy approved by the WDB for the LWDA? What is the approved funding CAP for an ITA per the local policy?
* *Select three (3) ITA expenses for testing from the sampling quarter.*
* Analyze ITA payments by examining the source documentation. Verify the following:
  + Training course and provider are approved on the New York State (NYS) Workforce Eligible Training Provider List (ETPL). ETPL is not applicable to TAA. This can be done either using the ETPL website, or simply by looking at the training service on OSOS and seeing that the Service Description includes ETPL Auto Load. Any training with that notation was entered properly using the ETPL through OSOS. (20 CFR 680.400-680.410).
  + The course/major is in a demand occupation as determined by the LWDA on the approved Demand Occupation list.
  + The tuition amount charged does not exceed the maximum allowed per the LWDA’s policy and WDB approved CAP.
  + The tuition reimbursed is paid **up to** the CAP allowable by the policy if needed (i.e., participant didn’t have to take out student loans to pay the remaining tuition if the LWDA didn’t pay up to the CAP of the ITA per the WDB approved policy). Example: ITA CAP for the LWDA is $5,000. Participant’s tuition is $5,000, but participant was only allowed $3,000 by LWDA even though the CAP is $5,000. The participant takes out a student loan for the remaining $2,000. **This is a finding for the review.**
  + Training expenses are reported to appropriate funding sources based on participants’ eligibility as documented in OSOS, and training services are documented in OSOS Services tab.
  + NOTE: Youth ITA’s are allowable and covered under 20 CFR 681.550
* Supportive Services (SS) *Adult, DW, Youth and other applicable NDWG NEG* participants (20 CFR 680.900 and 20 CFR 681.570):
* Review local Supportive Services policies and procedures applicable to the sample quarter. Verify the LWDA’s SS policies are in compliance with regulations.
* Has the LWDB established limits on the provision of supportive services? NOTE: Supportive Services may be addressed in separate policies between Adult/DW and Youth.
* Are SSs only provided to those participating in career or training services?
* Are SSs only provided when unable to obtain through other programs?
* Are SSs only provided only when they are necessary to enable individuals to participate in career service or training activities?
* *Select three (3) Supportive Service expenses for testing from the sampling quarter.*
  + Do the expenses follow the written policy?
  + Verify that Supportive Services expenses are reported to appropriate funding sources based on participants’ eligibility as documented in OSOS.
* **Note:** if Youth Supportive Services expenditures were reported as Work Experience expenditures, the Excel work papers should be noted as such in the allocation column.

1. **On-the-Job Training (OJT): Exhibit 7-OJT**

* Review local OJT policies and procedures. Verify the LWDA OJT policies and procedures are in compliance with Technical Advisory #10-15.2 and 20 CFR 680.700-750.
* *Select three (3) OJT expenses for sampling from the sampling quarter.*
* Analyze OJT payments by examining the source documentation. Verify that the wage rate, duration of training period and the actual time period of training is in accordance with the terms and conditions of the signed contract. If payments were incurred outside of the contract period, were adjustments made? Was the contract formally modified if needed?
* Verify that fiscal monitoring policies and procedures used to verify the voucher for training hours and payroll for reimbursement are in place and are being followed. Check to be sure that timesheets and payroll records are obtained as backup for payments reimbursed and are part of the source documentation reviewed.
* Verify that training expenses are reported to appropriate funding sources based on participants’ eligibility as documented in OSOS and training services are documented in OSOS Services tab.

1. **Other Trainings: Customized Training (CT), Incumbent Worker Training (ITW), and Transitional Jobs (TJ): Exhibit 8—Other Trainings: CT, IWT, or TJ**

NOTE – There is a limit of three (3) total samples to select for this exhibit. The monitor must ensure the sample represents each classification of expense from CT, IWT and TJ, if each was incurred within the sample period.

* 1. **Customized Training (CT)**
* Review local CT policies and procedures. Verify they are in compliance with Technical Advisory #01-05.1 and 20 CFR 680.760 and 680.770.
* *Select up to three (3) CT expenses for sampling from the sampling quarter*.
* Analyze CT payments by examining the source documentation. Verify that the amount reimbursed to the employer is the percentage outlined in the LWDA policy approved by the Board, represents a percentage of the total cost of the training, and that the amount reimbursed does not include the cost of employee wages while in training. (Those costs can be used as match only but cannot be reimbursed.)
  1. **Incumbent Worker Training (IWT) (Optional training type for the LWDA)**
* Review local Incumbent Worker policies and procedures. Verify that they are in compliance with 20 CFR 680.790-680.820.
* *Select up to three (3) IWT expenses for sampling from the sampling quarter.*
* Analyze Incumbent Worker training payments by examining the source documentation. Verify that the amount reimbursed to the employer is in agreement with the percentage of total cost of the training outlined in the WDB approved Incumbent Worker Training Policy, and that the amount reimbursed does not include the cost of employee wages while in training.
* **Note:** The local may reserve/spend up to 20% of their combined total of Adult and Dislocated Workers allocation for incumbent worker training.
  1. **Transitional Jobs (TJ) (Optional training type for the LWDA).**
* Review local Transitional Jobs policies and procedures. Verify that they are in compliance with 20 CFR 680.190-680.195.
* *Select up to three (3) TJ expenses for sampling from the sampling quarter.*
* Verify payments of salary and fringe benefits for those participants enrolled in transitional job work experiences.
* Does the entity’s policy provide a time limit for the work experience?
* Is the transitional job work experience combined with information about the availability of Supportive Services in the local area, as well as referral to such activities, as required?
* Review all expenditures relating to each participant sampled to determine if the entity followed both their internal policy and 20 CFR 680.190-680.195.
* **Note:** The local may reserve/spend up to 10% of their combined total of Adult and Dislocated Workers allocation for Transitional Jobs.

1. **Exhibit 9—Youth Expenses: Work Experience Wages/Stipends/Incentives**
   * Review the local policies and procedures, including Incentives/Stipends (20 CFR 681.640) and Youth Work Experience (20 CFR 681.600). Verify that they are in compliance with WIOA Rules and Regulations.
   * Determine the type of payments being made. Common types of support payments include travel, daycare, books, wages, stipends, incentives, needs-related payments, etc.
   1. **Incentives/Stipends Youth (20 CFR 681.640)**

* Examine the entity Incentive policy.
* *Select a total of three (3) incentive and stipend expenses for sampling from the sampling quarter.*
* Are the incentive/stipend payments tied to the goals of the specific program?
* Was the incentive paid as outlined in the policy?
* Were all participants treated equally when meeting the same requirement?
* Determine the benchmark achieved and the amount paid for obtaining them.
* Examine the appropriate support documentation to verify the goal was attained and paid appropriately.
* Ensure that all participants receiving payments appear on the participant roster and in OSOS.
* Ensure there is a participant log or other appropriate system in place for proper control of token/incentive purchases and distribution, including gift cards, etc.
  1. **Wages/Work Experience Youth (20 CFR 681.600)**
* *Select five (5) Youth Work Experience participants for Youth Work Experience Payroll testing.*
* Trace amounts reported to payroll registers.
* Examine timesheets.
* Ensure that participants are paid for program activities only; for example – no payments for lunch periods.
* Was at least minimum wage observed?
* Was the work experience for a **limited period of time** as per the LWDA policy? (20 CFR 681.600)

**NOTE:** *Entertainment items* are not allowable as Incentives per 2 CFR 200.438. *Purchase of food* for Youth participants may be an allowable WIOA cost as a supportive service, based on individual participant need, provided it is disbursed and documented in accordance with local policy. Consider compliance requirements on this subject as detailed in TEGL 09-22. The LWDA must exercise discretion and judgement in ensuring costs are appropriate and necessary and must minimize costs to the federal award. The costs of *memorabilia, organizational recognition (name of entity on items) and promotional items* are not allowable per 2 CFR 200.421.

##### Exhibit 13

##### Post Review Survey

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **YES** |  | **NO** |  | | **N/A** | | |
| **A.** | **Accounting System** | |  |  |  |  |  | |  | | |
|  | 1. | Are monthly books of account, including Closeout amounts, in balance with those reported on the MFRs? (Consider cash receipts, expenditures, and cash management considerations.) |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  | | | | | | | |
| **B.** | **Cash Management (N/A for PY22 Low-Risk CAFRs)** | |  |  |  |  |  | |  | | |
|  | 2. | Are bank statements/treasurer’s records reconciled with the official books of entry each month and to the WIOA report balances? |  |  |  |  |  | |  | | |
|  | 3. | Do bank reconciliation procedures provide for (note where these can be found in the entity’s policies and procedures): |  |  |  |  |  | |  | | |
|  |  | * Accounting for all check numbers used? |  |  |  |  |  | |  | | |
|  |  | * Identifying outstanding checks? |  |  |  |  |  | |  | | |
|  |  | * Investigating checks long outstanding? |  |  |  |  |  | |  | | |
|  |  | * Voiding outstanding/stale checks after a reasonable period of time (1 year or less)? |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  | | | | | | | |
| **C.** | **Disbursements** | |  |  |  |  |  | |  | | |
|  | 4. | Are checks drawn to cash prohibited? Note how this was determined, if YES. If NO, determine why this is okay or note this as a finding. 20 CFR 683.220 |  |  |  |  |  | |  | | |
|  | 5. | Are procedures in place to prevent duplication of a payment? If YES, note where it can be found. 20 CFR 683.220 |  |  |  |  |  | |  | | |
|  | 6. | Are advance payments prohibited except for tuition, subscriptions, and insurance? If YES, note where this can be found. |  |  |  |  |  | |  | | |
|  | 7. | Are credit cards used to pay for expenses? |  |  |  |  |  | |  | | |
|  |  | * Does the entity have a policy for credit card use? |  |  |  |  |  | |  | | |
|  |  | * Are invoices reviewed to ensure that only allowable expenses have been incurred on the credit cards? |  |  |  |  |  | |  | | |
|  | 8. | Are controls in place to ensure that all disbursements are recorded in the accounting system? Explain: |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  |  | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  |  |  |  |  |  | |  | | |
|  | 9. | Are cash disbursements supported and justified by adequate documentation? |  |  |  |  |  | |  | | |
|  |  | What documentation was supplied? Also note in Monitor’s Narrative. |  |  |  |  |  | |  | | |
|  |  |  | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  |  |  |  |  |  | |  | | |
|  | 10. | Does the entity advance funds to lower-tier subrecipients? |  |  |  |  |  | |  | | |
|  |  | If YES, to who? |  |  |  |  |  | |  | | |
|  |  |  | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | * + - * 1. Are outstanding advances being tracked? |  |  |  |  |  | |  | | |
|  |  | How? Explain the process. |  |  |  |  |  | |  | | |
|  |  |  | | | | | | | | | | |
|  |  |  | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  | | |
|  |  | * + - * 1. Are reported expenses being offset against the advances? |  |  |  |  |  | |  | | |
|  |  | * + - * 1. At the end of the contract, are the outstanding advances refunded? |  |  |  |  |  | |  | | |
|  | 11. | Does the entity prohibit the purchasing of goods or services for **personal use** by staff? (2 CFR 200.445) |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  | | | | | | | |
| **D.** | **Personnel Cost Documentation** | |  |  |  |  |  | |  | | |
|  | 12. | Does the entity have written policies for accruing and charging leave time? Note how this is done in your review narrative. |  |  |  |  |  | |  | | |
|  | 13. | Are payrolls initiated through the submittal of time and attendance reports showing hours worked? (timesheets, TDRs) |  |  |  |  |  | |  | | |
|  | 14. | Does the employee sign their timesheets?  (2 CFR 200.430 (x)(3)) |  |  |  |  |  | |  | | |
|  | 15. | Does the supervisor review and sign employee timesheets as a means of approval?  (2 CFR 200.430 (x)(3)) |  |  |  |  |  | |  | | |
|  | 16. | Does leave time taken on the timesheets match the cumulative leave records, to support that the employee’s cumulative leave balances are appropriately reduced when the employee takes any type of paid time off? (Provide a copy for the work papers.) |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  | | | | | | | |
| **E.** | **Fringe Benefits** | |  |  |  |  |  | |  | | |
|  | 17. | Does the entity maintain invoices/policies (or copies of) to support rates for (If YES, provide examples of each as part of your work papers. State if not part of your sample): |  |  |  |  |  | |  | | |
|  |  | * Medical |  |  |  |  |  | |  | | |
|  |  | * Dental |  |  |  |  |  | |  | | |
|  |  | * Vision |  |  |  |  |  | |  | | |
|  |  | * Retirement |  |  |  |  |  | |  | | |
|  |  | * FICA (Medicare & Social Security) |  |  |  |  |  | |  | | |
|  |  | * Flex Spending Account (FSA) |  |  |  |  |  | |  | | |
|  |  | * Health Savings Account (HSA) |  |  |  |  |  | |  | | |
|  |  | * Life Insurance |  |  |  |  |  | |  | | |
|  |  | * Paid Family Leave |  |  |  |  |  | |  | | |
|  |  | * Workers’ Compensation |  |  |  |  |  | |  | | |
|  |  | * Disability Insurance (Short- or Long-Term) |  |  |  |  |  | |  | | |
|  |  | * Unemployment Insurance |  |  |  |  |  | |  | | |
|  |  | * Parking |  |  |  |  |  | |  | | |
|  |  | * Bus Pass |  |  |  |  |  | |  | | |
|  |  | * Metro Card |  |  |  |  |  | |  | | |
|  |  | * Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | If NO, how are rates determined and confirmed to be allowable? |  |  |  |  |  | |  | | |
|  |  |  | | | | | | | | | | |
|  |  |  | | | | | | | | | | |
|  |  |  | | | | | | | | | | |
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|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  |  |  |  |  |  |  | | |
| **F.** | **Record-Keeping** | |  |  |  |  |  | |  | | |
|  | 18. | Do financial records appear current, accurate, organized, and complete? |  |  |  |  |  | |  | | |
|  | 19. | Is the entity in compliance with the WIOA record retention requirement? (TA 16-2) |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  |  |  |  |  |  |  | | |
| **G.** | **Program Income** (Reference 2 CFR 200.307, 20 CFR 683.200(c)(6), (7), (8), and 20 CFR 683.300(c)(5)) | |  |  |  |  |  | |  | | |
|  | 20. | Has the entity earned any program income during the review period? |  |  |  |  |  | |  | | |
|  | 21. | If YES, has the program income been correctly reported on the MFRs? |  |  |  |  |  | |  | | |
|  | 22. | Is the entity expending program income first prior to ordering additional federal funds? |  |  |  |  |  | |  | | |
|  | 23. | What was the total amount of program income earned during the review period? |  | $ | | | | | | | |
|  | 24. | Briefly describe the program income earned. How did the entity account for the earned income? | | | | | | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  |  |  |  |  |  |  | | |
| **H.** | **Closeout** | |  |  |  |  |  | |  | | |
|  | 25. | Are closeout reviews complete and current for funds that have been closed? If NO, specify program year for funds for which closeout reviews have not been completed. |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  |  |  |  |  |  |  | | |
| **I.** | **Procurement Survey (N/A for all PY22 CAFRs)**  (Reference 2 CFR 200.318-326; Appendix II, Part 200; and Part 2900 DOL exceptions) | |  |  |  |  |  | |  | | |
|  | 26. | Was a Procurement review completed during this review? If Yes, complete the remainder of this section’s survey questions. If No, provide comment to include: the period of the most recently complete Procurement Review and move on to Section J, question #39. |  |  |  | X |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: Procurement was last completed during the PY21 CAFR. The next Procurement | | | | | | | |
|  |  | Review is due to be completed with the PY23 CAFR for the two-year period July 1, 2022 | | | | | | | |
|  |  | Through June 30, 2024. | | | | | | | |
|  |  |  |  |  |  |  |  |  | | |
|  | 27. | Does the entity have written procurement policies and procedures? If YES, label as Exhibit 10-Procurement Policy/Procedures. Does the Policy address: |  |  |  |  |  | |  | | |
|  |  | 1. Code of conduct? |  |  |  |  |  | |  | | |
|  |  | 1. Conflict of interest? |  |  |  |  |  | |  | | |
|  |  | 1. Maintenance and retention of documentation supporting procurement actions? |  |  |  |  |  | |  | | |
|  |  | 1. Procurement Methods for: |  |  |  |  |  | |  | | |
|  |  | 1. Micro purchase? |  |  |  |  |  | |  | | |
|  |  | 1. Small Purchase? |  |  |  |  |  | |  | | |
|  |  | 1. Competitive proposal? |  |  |  |  |  | |  | | |
|  |  | 1. Professional Services? |  |  |  |  |  | |  | | |
|  |  | 1. Sealed bid? |  |  |  |  |  | |  | | |
|  |  | 1. Non-competitive procurement/Sole source? (Including higher level of approval?) |  |  |  |  |  | |  | | |
|  |  | 1. Use of state and county bids? |  |  |  |  |  | |  | | |
|  |  | 1. Formal process to settle and satisfy protests, disputes, or claims? |  |  |  |  |  | |  | | |
|  |  | 1. Leasing versus purchasing options? (2 CFR 200.318) |  |  |  |  |  | |  | | |
|  |  | 1. Procurement of Recovered Materials?   (2 CFR 200.322) |  |  |  |  |  | |  | | |
|  | 28. | During the review period, has the entity procured goods or services by any of the following methods (2 CFR 200.320)? |  |  |  |  |  | |  | | |
|  |  | 1. Micro purchase? |  |  |  |  |  | |  | | |
|  |  | 1. Small purchase? |  |  |  |  |  | |  | | |
|  |  | 1. Competitive proposal? |  |  |  |  |  | |  | | |
|  |  | 1. Sealed bid? |  |  |  |  |  | |  | | |
|  |  | 1. Non-competitive? |  |  |  |  |  | |  | | |
|  | 29. | During the review period, has the entity procured or awarded funds for the following goods or services? |  |  |  |  |  | |  | | |
|  |  | 1. Direct Program Services (Adult, DLW & Youth)? |  |  |  |  |  | |  | | |
|  |  | 1. Equipment? |  |  |  |  |  | |  | | |
|  |  | 1. Professional services? |  |  |  |  |  | |  | | |
|  |  | 1. One-Stop System Operator |  |  |  |  |  | |  | | |
|  |  | 1. Other (Identify) |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  | 30. | Do procurement actions follow established policies and procedures? |  |  |  |  |  | |  | | |
|  | 31. | Has the entity obtained approval from NYSDOL for equipment/renovation costs/other that costs $5,000 or more per unit? TA# 17-03 |  |  |  |  |  | |  | | |
|  | 32. | Have any contracts been renewed? |  |  |  |  |  | |  | | |
|  |  | If YES, list who, why and for how much. Explain the renewal process, including WDB Board approval and date: |  |  |  |  |  | |  | | |
|  |  |  | | | | | | | | | | |
|  |  |  | | | | | | | | | | |
|  |  |  |  |  |  |  |  | |  | | |
|  | 33. | Were any contracts awarded performance-based? |  |  |  |  |  | |  | | |
|  |  | If YES, to who? |  |  |  |  |  | |  | | |
|  |  |  | | | | | | | | | | |
|  |  |  | | | | | | | | | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | 1. Are benchmarks defined in the contract? |  |  |  |  |  | |  | | |
|  |  | 1. Were benchmark payments detailed in the contract? |  |  |  |  |  | |  | | |
|  | 34. | Are the procurement requirements for the WIOA program as restrictive as other programs operated by the subrecipient? |  |  |  |  |  | |  | | |
|  | 35. | Is there a separate purchasing office responsible for the procurement of some or all goods and services? |  |  |  |  |  | |  | | |
|  |  | If YES, state what office: |  |  |  |  |  | |  | | |
|  |  |  | | | | | | | | | | |
|  |  |  | | | | | | | | | | |
|  |  |  |  |  |  |  |  | |  | | |
|  | 36. | Did contract files for training/service providers and/or One-Stop Operators contain all the basic elements of a contract, including a Contract Review Checklist? (Include a copy of the contract file in the work papers and reference page # where these elements can be found.) |  |  |  |  |  | |  | | |
|  |  | 1. Basic Elements |  |  |  |  |  | |  | | |
|  |  | * 1. A signed contract (includes signature and dates of the parties of the contract) and/or documents supporting contract modifications. Provide a copy. |  |  |  |  |  | |  | | |
|  |  | * 1. Specifies a statement of work |  |  |  |  |  | |  | | |
|  |  | * 1. Specifies period of performance |  |  |  |  |  | |  | | |
|  |  | * 1. Authorized purpose and officials |  |  |  |  |  | |  | | |
|  |  | * 1. Outline of payment schedule |  |  |  |  |  | |  | | |
|  |  | 1. Performance Elements |  |  |  |  |  | |  | | |
|  |  | * 1. Negotiated performance levels/metrics to be achieved |  |  |  |  |  | |  | | |
|  |  | * 1. Description of services being provided |  |  |  |  |  | |  | | |
|  |  | * 1. Methods for monitoring performance |  |  |  |  |  | |  | | |
|  |  | * 1. Methods for reporting performance |  |  |  |  |  | |  | | |
|  |  | 1. Contract Provisions and Clauses   Appendix II to Part 200 Required Provisions: |  |  |  |  |  | |  | | |
|  |  | 1. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms; and provide for such sanctions and penalties as appropriate. Applicable to contracts for more than the simplified acquisition threshold. |  |  |  |  |  | |  | | | |
|  |  | 1. Termination for lack of performance, default, or for convenience ($10,000 or more). |  |  |  |  |  | |  | | | |
|  |  | 1. Equal Opportunity Clause with EEO notice in recruiting materials. |  |  |  |  |  | |  | | | |
|  |  | 1. For prime construction contracts in excess of $2,000: |  |  |  |  |  | |  | | | |
|  |  | * 1. Davis-Bacon Act as supplemented by Department of Labor regulations, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction.” |  |  |  |  |  | |  | | | |
|  |  | * 1. Copeland “Anti-Kickback” Act as supplemented by Department of Labor regulations, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.” |  |  |  |  |  | |  | | | |
|  |  | 1. Contract Work Hours and Safety Standard Act. Applicable to all contracts in excess of $100,000 that involve the employment of mechanics or laborers. |  |  |  |  |  | |  | | | |
|  |  | 1. Rights to Inventions Made Under a Contract or Agreement (applicable to non-profit and small business only). |  |  |  |  |  | |  | | | |
|  |  | 1. Applicable to contracts and subgrants of amounts in excess of $150,000: |  |  |  |  |  | |  | | | |
|  |  | * 1. The Clean Air Act. |  |  |  |  |  | |  | | | |
|  |  | * 1. The Federal Water Pollution Control Act. |  |  |  |  |  | |  | | | |
|  |  | 1. Debarment and Suspension. A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM). |  |  |  |  |  | |  | | | |
|  |  | 1. Byrd Anti-Lobbying Amendment. Contractors that apply or bid for an award exceeding $100,000 must file the required certification. |  |  |  |  |  | |  | | | |
|  |  | 1. Solid Waste Disposal Act, Procurement of Recovered Materials (applicable to a non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors when procuring and where the purchase price of an item exceeds $10,000 or the value of the quantity purchased in the prior year exceeded $10,000) – see 2 CFR 200.323. |  |  |  |  |  | |  | | | |
|  |  | 1. Prohibition on certain telecommunications and video surveillance services or equipment – see 2 CFR 200.216. |  |  |  |  |  | |  | | | |
|  |  | 1. Domestic Preference for Procurement – see 2 CFR 200.322. |  |  |  |  |  | |  | | | |
|  |  | 1. Other Contract clauses that may need to be addressed (if yes, include with the work papers): |  |  |  |  |  | |  | | |
|  |  | * 1. Requirement to follow the Uniform Guidance, 20 CFR 683.200(a) |  |  |  |  |  | |  | | |
|  |  | * 1. Requirement to adhere to allowable cost requirements and cost principles, 20 CFR 683.200(b) |  |  |  |  |  | |  | | |
|  |  | * 1. Requirement to follow uniform administrative requirements, 20 CFR 683.200(c) |  |  |  |  |  | |  | | |
|  |  | * 1. Drug-free workplace certification, 20 CFR 683.200(d) |  |  |  |  |  | |  | | |
|  |  | * 1. Buy-American, 20 CFR 683.200(f) |  |  |  |  |  | |  | | |
|  |  | * 1. Nepotism, 20 CFR 683.200(g)   2. Requirement for mandatory and timely disclosure of all violations affecting the Federal Award, 20 CFR 683.200(h) |  |  |  |  |  | |  | | |
|  |  | 1. Certificate of insurance or other evidence showing that insurance is in effect, including fidelity and performance bonds? If applicable, provide a copy. |  |  |  |  |  | |  | | |
|  |  | 1. Records pertaining to equipment purchased by the contractor. Provide a copy. |  |  |  |  |  | |  | | |
|  |  | 1. Financial and program reporting requirements? (If yes, include with the work papers.) |  |  |  |  |  | |  | | |
|  |  | 1. Record retention requirements? (If yes, include with the work papers, see TA 16-02) |  |  |  |  |  | |  | | |
|  |  | 1. Access to records? (If yes, include with the work papers) |  |  |  |  |  | |  | | |
|  |  | 1. Identifying Information and Privacy Notification? (PII considerations, see TA 18-05) |  |  |  |  |  | |  | | |
|  | 37. | For the federally funded contract(s) or subrecipient agreement(s) under review, did the contracted/agreed upon terms and conditions include applicable grant-specific terms and conditions as attached to the NOA? |  |  |  |  |  | |  | | |
|  | 37a. | If contracts/agreements are funded by a non-federal funding source, which falls within the scope of our review, are appropriate terms and conditions carried through to sub-awards and contracts as detailed in the funding source NOA? |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  | 38. | Did the contract terms and conditions contain the following clause or condition referring to DOL exception (2 CFR, Subtitle B, Chapter XXIX, Part 2900.13) related to creative commons licensing (covering copyright)? Indicate the page number. |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  |  |  |  |  |  |  | | |
| **J.** | **Property Management Survey**  (Reference 2 CFR 200.310-317 & TA 17-03) | |  |  |  |  |  | |  | | |
|  | 39. | Was Property Management review completed during this review? If Yes, complete the remainder of this section’s survey questions. If No, provide comment to include the period of the most recently complete Property Management Review and move on to Section K, question #47. |  | X |  |  |  | |  | | |
|  |  |  | | | | | | | | | | |
|  |  | **Comment**: Property Management Review was last completed during the PY20 CAFR. This | | | | | | | |
|  |  | review is subject to monitoring with the current PY22 CAFR. The scope of this review is | | | | | | | |
|  |  | biennial. The review period for this review is two years, July 1, 2021 through June 30, 2023. | | | | | | | |
|  |  |  |  |  |  |  |  |  | | |
|  | 40. | Does the entity have written Property Management Policies and Procedures? If YES, label as Exhibit 11-Property Management Policy/Procedures. |  |  |  |  |  | |  | | |
|  | 41. | Do the entity’s policies and procedures address: (Reference, 2 CFR 200.313 and 200.314) |  |  |  |  |  | |  | | |
|  |  | 1. The taking of a physical inventory of equipment at least once every two years? (200.313) |  |  |  |  |  | |  | | |
|  |  | 1. Adequate safeguards to prevent theft of equipment? |  |  |  |  |  | |  | | |
|  |  | 1. Maintenance of equipment? |  |  |  |  |  | |  | | |
|  |  | 1. Formally assign staff to Property Management function and control? In your narrative, detail the staff involved in this process. |  |  |  |  |  | |  | | |
|  | 42. | Do the property management records provide for the following information on each piece of Federal Equipment? (200.313) |  |  |  |  |  | |  | | |
|  |  | 1. Description? |  |  |  |  |  | |  | | |
|  |  | 1. Serial Number? |  |  |  |  |  | |  | | |
|  |  | 1. Funding Source (and/or percent interest of each funding source)? |  |  |  |  |  | |  | | |
|  |  | 1. Acquisition date and cost? |  |  |  |  |  | |  | | |
|  |  | 1. Date placed in service. Was this timely? |  |  |  |  |  | |  | | |
|  |  | 1. Location of the equipment? Identify if location was correct when concluding results of the physical inventory. |  |  |  |  |  | |  | | |
|  |  | 1. Date inventory was last taken and by who? |  |  |  |  |  | |  | | |
|  |  | 1. Identify the name(s) of the staff performing the inventory. |  |  | | | | | | | |
|  |  | 1. Identify the date inventory was last performed. |  |  | | | | | | | |
|  |  | 1. Was a formal record of inventory performance maintained, clearly identifying the date and name of individual who attested to performing the inventory? |  |  |  |  |  | |  | | |
|  | 43. | Is Federal Equipment tagged and inventory location correct? |  |  |  |  |  | |  | | |
|  | 44. | Are controls in place to ensure acquisitions of $5,000 or more per unit cost obtain NYSDOL approval? (TA 17-03) |  |  |  |  |  | |  | | |
|  | 45. | Have there been any incidents of loss, damage, theft, or other that affect the useful life of inventoried supplies and equipment? If so, have documented procedures been followed? |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  | 46. | Has NYSDOL been notified of the loss of any Property with a cost of $5,000 or more that was pre-approved by NYSDOL as outlined in 2 CFR 200.439? Detail this response in the narrative, if applicable, and be sure to include the notification date, how NYSDOL was notified, and include any record of communication that supports this with your work papers compilation. |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
| **K.** | **Subrecipient Monitoring Survey** | |  |  |  |  |  | |  | | |
|  | 47. | Does the entity have a written Policy and Plan for conducting subrecipient monitoring? If YES, label as **Exhibit 12—Subrecipient Monitoring Policy/Plan**. |  |  |  |  |  | |  | | |
|  | 48. | Does their Policy/Plan (cross reference - note page numbers here and identify the question number on the Policy document): |  |  |  |  |  | |  | | |
|  |  | 1. Identify the specific entities that are direct subrecipients of the Grant Recipient and/or LWDB? |  |  |  |  |  | |  | | |
|  |  | 1. Address the following review topics and frequency of required reviews? |  |  |  |  |  | |  | | |
|  |  | Financial Management – annual |  |  |  |  |  | |  | | |
|  |  | Property Management – biennial |  |  |  |  |  | |  | | |
|  |  | Procurement – biennial |  |  |  |  |  | |  | | |
|  |  | Subrecipient Monitoring – annual |  |  |  |  |  | |  | | |
|  |  | Desk Reviews – monthly |  |  |  |  |  | |  | | |
|  |  | 1. Identify their monitoring instrument? (If not using the NYSDOL Monitoring Guides, attach a blank copy of what they use and label as **Exhibit 12 LWDA Monitoring Tools**) |  |  |  |  |  | |  | | |
|  |  | 1. Identify by position/title the staff responsible for conducting monitoring? |  |  |  |  |  | |  | | |
|  |  | 1. Describe a standardized methodology that will result in a timely notification (45 calendar days from the date the monitoring was completed) to the sub-recipient of the result of the monitoring, which notes findings, any needed corrective action, and due dates for corrective action? |  |  |  |  |  | |  | | |
|  |  | 1. Define the distribution list for the monitoring reports? |  |  |  |  |  | |  | | |
|  |  | 1. Address the retention of reports and work papers and the accessibility to review by LWDB, NYSDOL and federal officials? |  |  |  |  |  | |  | | |
|  |  | 1. Describe the process for systematic follow-up on any finding to ensure corrective action has been taken? |  |  |  |  |  | |  | | |
|  |  | 1. Describe the process for providing technical assistance regarding issues that arise as a result of the monitoring or in response to requests from the subrecipient? |  |  |  |  |  | |  | | |
|  |  | 1. Identify by position/title the staff responsible for providing technical assistance? |  |  |  |  |  | |  | | |
|  |  |  |  |  |  |  |  | |  | | |
|  |  | **Comment**: | | | | | | | |
|  |  |  | | | | | | | |
|  |  |  |  |  |  |  |  |  | | |

**Exhibit 14**

**Monitor’s Narrative**

For each narrative section below, follow the guidance for each section when drafting your narrative. Please note the narrative must be typed beneath each section to ensure the separation between the direction and the original narrative content is retained.

**Entity’s Organizational Structure and Staff Functions**

Describe the entity under review in terms of the entity’s organizational structure and staffing. Describe the roles and responsibilities of key personnel involved with administration of the grant. In this section, include an assessment of Risk associated with the Entity under review. Consider size of the organization, skills/knowledge/expertise (SKE) of key personnel, the length of service and familiarity with the program by staff administering the grant. Does the LWDA have strong policy and procedure? Does the LWDA have large/small staff? How does this impact their internal controls and ability to spread grant management responsibilities amongst staff to reduce the risk that a material error may go undetected? Consider organization risks as well; use this assessment to identify aspects of the agency that could leave them susceptible to instances of non-compliance.

Narrative: *[type narrative response in this space]*

**Prior Review Summary**

Describe the highlights of the prior Financial Management review, any findings, the status of those findings, and any instances that have carried over from the prior review and may pose a risk to the current review. Incorporate prior review summaries for prior Closeout, Procurement, Property Management and Subrecipient Monitoring.

Narrative: *[type narrative response in this space]*

**Current Review**

**Financial Management Review & Costs Allocation**

Describe the current review covering noteworthy conclusions from Exhibits 1 & 1A through Exhibit 9. Consider describing strengths as well as identified weaknesses. Use this section to explain any findings that will be carried into the Audit Report. For Cost Allocation, refer to Exhibit 2, which outlines Cost Allocation Procedures for local areas.

Narrative: *[type narrative response in this space]*

**Grant Closeout(s)**

Conclude on closeout. Include the grants and programs years closed out, detail any issues noted, and describe if there were any accruals at program year-end that required liquidation within 60 days of the closeout period; and confirm those expenditures were included in selected sampling. State whether or not closeout reports were submitted timely.

Narrative: *[type narrative response in this space]*

**Procurement**

Describe the procurement review timeline. Procurement is a biennial review. Detail the review period covered and when the next review period will commence. In the summary of your current procurement review, address informal procurement, formal competitive procurement and any non-competitive procurements pursued. Detail any findings.

Narrative: ***N/A for all PY22 CAFRs –*** *This review is due to be performed with the PY23 CAFR for the review period July 1, 2022 through June 30, 2024*.

**Property Management**

Describe the Property Management review timeline. Property Management is a biennial review. Detail the review period covered and when the next review period will commence. In the summary of your current property management review, summarize review highlights and detail any findings.

Narrative: *[type narrative response in this space]*

**Subrecipient Monitoring**

Describe the number of subrecipients reviewed by the LWDA. Did the LWDA perform their monitoring, and was it timely? Did the monitoring performed uphold NYSDOL Technical Advisories (TAs) and the OMB? Did the LWDA issue a report in response to the monitoring performed? Did the monitoring report(s) have any findings? Did the LWDA require timely follow-up and resolution of the findings? What is the status of any/all findings? Does the LWDA perform routine desk reviews, provide Technical Assistance to their subrecipients and, in all other mentionable regards, maintain an oversight to have a reasonable expectation that an error in reporting or misstated claims for reimbursement may be addressed prior to the expiration of the subaward contract, thereby enabling necessary and timely correction or revision while the period of performance for the funding is still open?

Narrative: *[type narrative response in this space]*

**FOTA Monitor’s Conclusions**

Reflect on the appropriateness of your risk assessment for the area under review. Detail any other information pertinent to the review or that which may be impactful for the subsequent review that, if documented, will prevent undue time-loss or mishap for the future review process. An example of this is to document the review timeline and detail any nuances of the review that have no need for official record. Things that come to mind are preferred methods of communication (phone email), ability to scan documents or preference to use postal service, hours of the entity or special working arrangements or hours of key personnel. Detail any concerns you may have regarding the local area in future years that you would like to keep track of and comments that don’t fall under any specific section.

Narrative: *[type narrative response in this space]*

**Exhibit 15**

Entrance Teleconference

Date: ­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attendees:

**Names & Job Titles:**

|  |
| --- |
|  |
|  |
|  |
|  |
|  |

Subjects Discussed:

**On site visit(s)**

Date: ­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attendees:

**Names & Job Titles:**

|  |
| --- |
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|  |

Subjects Discussed:

**Exit Teleconference**

Date: ­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attendees:

**Names & Job Titles:**

|  |
| --- |
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|  |

Subjects Discussed:

**Consolidated Annual Fiscal Review**

**Language for Standard Findings**

**Findings, where noted as:**

* **STANDARD:** The Monitor shall use language written for the Title of the finding, Compliance Requirement, and the Required Action applicable to these findings, and modify the content/description of the finding as appropriate.
* **COMMON:** Are examples of findings commonly cited for non-compliance. The Monitor shall modify the content of the Finding, Compliance Requirement and Required Action as appropriate.

|  |  |
| --- | --- |
| Review Topic 1 – Financial Management REview | |
| **Finding (Common)** | **Participant’s expense was charged to incorrect funding source.** |
| **Compliance Requirement** | **2 CFR 200.405(a)**  2 CFR 200.405(a), in part, states “A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefit received. This standard is met if the cost is incurred specifically for the Federal award”. |
| On 2/18/22, the LWDA reimbursed a supportive service expense in the amount of $412.77 for an exam preparation kit to participant NY# xxxxx. This $412.77 expense was paid with WIOA Adult funding, while the participant is an enrolled Dislocated Worker customer based on NYSDOL State Program Rep’s review of the participant’s records in the One-Stop Operating System (OSOS). | |
| **Required Action** | The LWDA is required to review participant’s record and OSOS data to confirm the participant’s enrollment status and make appropriate adjustments to its book of account, moving the Supportive Service expense in the amount of $412.77 to eligible funding source based on participant eligibility. To resolve this finding, a copy of the adjustment must be provided to FOTA for review. |
| **Finding (Common)** | **Overpayment of participant’s training expense.** |
| **Compliance Requirement** | **2 CFR 200.403**  2 CFR 200.403 defines factors affecting allowability of costs at subsection (g) that costs must be adequately documented to be allowable. |
| In our samples of Individual Training Accounts (ITA) expenses, a payment made to a training provider, [name] BOCES, in the amount of $13,344.40 (check # xxxx dated mm/dd/yyyy) appeared to include an overpayment for customer NY #018 947 392. Based on our review of the Student Account statement, the customer’s total training cost was $9,780 and the student received PELL in the amount of $5,846, which brought the tuition balance to $3,934 (or $1,967 per term for two terms); however, the training provider billed the LWDA a one-term tuition expense of $2,347. This resulted in a tuition overpayment of $380. Regarding this overpayment, the fiscal staff explained that “There is usually a double-check manual calculation on the billing statement that shows the total tuition, less PELL and financial aid, which equals the amount [LWDA name] pays for tuition. The original Training backup report that we use internally, called an IT-4, had a quoted tuition cost that was higher than the actual final tuition cost. This reduction on the final invoice was not caught by the Finance staff on this specific training. Sometimes during COVID, individuals got ill and started their training during the next session, so the tuition change did occur on a few trainings and were properly caught.” | |
| **Required Action** | [The LWDA is required to credit the overpaid tuition in the amount of $380 to the WIOA funding source that was originally charged. At the local Board’s discretion, the LWDA may recoup the fund from BOCES or use its local/non-federal funding source to pay back WIOA. In addition, going forward, the LWDA must ensure that payments made for training expenses are based on actual training costs billed on the Student Account statement, less any applicable tuition assistance such as Pell or TAP grants, up to the approved training fund or cap, rather than based on the quoted tuition rate as documented on the customer’s approved training plan authorized by the LWDA.] |
| **Finding (Common)** | **Cash balance discrepancy.** |
| **Compliance Requirement** | **2 CFR 200.302**  Per 2 CFR 200.302 Financial Management, “The financial management system of each non-Federal entity must provide for…(1) Identification, in its accounts, of all Federal awards received and expended…(3) Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation… (4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.” |
| *[State how the LWDA violated compliance – what did they not do (or do) that caused the finding? What is the effect?]*  During the review, it was identified that the General Ledger (GL) Cash balance as of January 31, 2022 was $14,916.65. This GL cash balance contains WIOA, TAA and Ticket-to-Work cash-on-hand balances. Per January 2022 monthly reporting to NYSDOL, ending cash balances were as follows: WIOA $11,591.48; and TAA $0.00. Additionally, per the earned income report submitted to NYSDOL monthly with the WIOA Monthly Financial Reports, Ticket-to-Work cash balance was $14,801.46. In summation, reported cash on hand as of January 31, 2022 totaled $26,392.94. Therefore, the cash balances, including programs reported to NYSDOL as of January 31, 2022, exceed actual cash on hand per the GL Detail as of January 31, 2022 in an amount equal to $11,476.29. | |
| **Required Action** | The LWDA is required to identify the and correct the cash balance discrepancy. To resolve this finding, the LWDA must provide support for the identified discrepancy, support for the accounting activity that resolved the discrepancy, and an updated GL detail balance that agrees to all reported cash balances for the month end in which the discrepancy has been remedied. |
| Review Topic 2 – PROPERTY MANAGEMENT | |
| **Finding (Common)** | The LWDA’s property records were not adequately maintained. |
| **Compliance Requirement** | **2 CFR 200.313(d)(1)**  2 CFR 200.313(d)(1) states, “Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.” |
| *[State how the LWDA violated compliance – what did they not do (or do) that caused the finding? What is the effect?]*  It was identified during the review that the property records do not include [*Give specifics identified on review of what is missing.]* | |
| **Required Action** | XXX LWDA must update its property records to ensure that the records contain all elements required by 2 CFR 200.313(d)(1).  To resolve this finding, an updated property/inventory records must be provided to FOTA for review. |
| **FINDING (COMMON)** | Physical inventory was not completed at least once every two years. |
| **Compliance Requirement** | **2 CFR 200**  2 CFR 200.1 Definition for internal controls for non-Federal entities means, *“Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in (i) Effectiveness and efficiency operation; (ii) Reliability of reporting for internal and external use; and (iii) Compliance with applicable laws and regulations.”*  2 CFR 200.302(b)(4) states, *“The financial management system of each non-Federal entity must provide for the Effective control over, and accountability for, all funds, property, and other assets.”*  2 CFR 200.313(d)(2) states, “A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.” |
| The review identified that the LWDA did not perform a biennial physical inventory. The last inventory was taken on Month xx, YYYY. | |
| **Required Action** | XXX LWDA is required to perform physical inventory of property and provide support that physical inventory was completed and the results reconciled with property records.  To resolve this finding, a copy of the completed physical inventory of property taken must be provided to FOTA for review. |
| Review Topic 3 – PROCUREMENT | |
| **Finding (Common)** | **No local Board’s approval of Request for Proposal (RFP) for the Outsourced IT and Managed Services was obtained prior to the release of the competitive procurement solicitation. Furthermore, the released RFP did not contain grading criteria for each evaluation factor for proposal evaluations.** |
| **Compliance Requirement** | **WIOA Law Section 107(d) Functions of Local Board and 2 CFR 200.320 Methods of Procurement, subsection (b) Formal Procurement Methods.**  WIOA sec. 107(d)(8)(A)(ii), described Functions of Local Board regarding Program Oversight, stipulates, in part, that “The local board, in partnership with the chief elected official for the local area, shall ensure the appropriate use and management of funds provided under subtitle B for the activities...” 2 CFR 200.320(b)(2)(i), regarding formal procurement in the form of Proposals, states, in part, that “Request for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors.” |
| *[State how the LWDA violated compliance – what did they not do (or do) that caused the finding? What is the effect?]*  Related to the competitive procurement for the Outsourced IT and Managed Services, we observed the following:   1. The local Board was not engaged in portions of the competitive procurement process, including a review and approval of the RFP content and authorization of the RFP release; however, it was informed during the 6/25/21 Board meeting that “the RFP is in process.” The Local staff explained that the local Procurement policy does not require the Board’s approval of the RFP or the release of the RFP. The Procurement policy, on page 2, states, in part, “The competitive procurement of goods and services necessary for the operation of XXX is the responsibility of the XXX Board of Directors, who have delegated this responsibility to the Executive Director and Chief Financial Officer (CFO), who in turn have delegated this function to the department managers. It is the responsibility of the department managers to ensure that any department end users adhere to all of XXX Procurement Policies and Procedures. The Policy further defines on page 3 that “The RFP document will be prepared by the department manager and reviewed by the CFO prior to issuance.”   Based on the information provided by the Local staff, the Board Chair reviewed and guided the staff responsible for this procurement transaction on preparing the RFP before it was released; and the proposals were reviewed by the Board Chair, the Executive Director, and the Special Projects Manager; however, the evaluation or rating of each proposal by each reviewer were not available for review. It was noted in the 9/24/21 Executive Finance Committee meeting minutes that the Committee recommended a contract award to Function One, the lowest-cost bidder and the current IT provider, upon the review of the two proposals received.   * ACC Technical Services, one-time set-up cost $11k, recurring monthly cost $7,054.25. First year cost totaling $95,651 and $84,651 each year after the first year. * Function One (current provider), recurring monthly cost $6,200 or $74,400/annually.   On 9/30/21, the local Board voted to approve a contract award to Function One for Outsourced IT and Managed Services, effective 10/1/21 through 9/30/22 with an annual option to renew the contract for four (4) additional years.   1. The RFP document, defined at page 5 under “Selection Criteria,” provides a list of qualitative areas that will be used to evaluate a proposal, such as industry expertise and experience in both infrastructure and security management, demonstrated customer service quality and support, previous relevant experience, vendor strength and stability, account management, reporting capabilities, and cost structure and references. However, no grading is defined in terms of scoring/points for each criterion considering their relative importance. | |
| **Required Action** | Going forward, the LWDA is required to ensure that RFPs are reviewed and approved by the local Board prior to their release, as this oversight is a required function of the Board. If the local Board is not scheduled to meet prior to the planned RFP release date, and for timeliness and continued operation the RFP must be released, the local Board Executive Committee may vote to approve the RFP content and release date, pending a subsequent retroactive approval vote from the local Board at the next Board meeting. Please note, a local Board approval vote of Executive Committee meeting minutes is not sufficient to ensure the full weight of Board decision-making has been considered by all local Board members. Therefore, retroactive approval from the full Board of Executive Committee activity must consist of and detail in the Board meeting minutes that the local Board considered and brought to vote all business conducted by the Executive Committee on behalf of the Board.  To resolve this finding, the LWDA is required to respond in writing acknowledging that moving forward the local Board will take action to vote to approve the content and issue date of RFPs prior to their release. |
| Review Topic 4 – SUBRECIPIENT MONITORING | |
| **Finding (STANDARD)** | The required monitoring of the subrecipients was not completed. |
| **Compliance Requirement** | Uniform Guidance 2 CFR 200.329(a) “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. See also §200.332.”  WIOA regulations 20 CFR 683.410(a) “Each recipient and subrecipient 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 subrecipients 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…”  NYSDOL Technical Advisory #21-05 (June 25, 2021), “LWDBs, in partnership with the CEO, or the CEO’s designated fiscal agent, must conduct remote and/or onsite subrecipient monitoring of WIOA programs and the One-Stop Career Center System in their LWDAs.” The TA further defines the types of review and required frequency as follows: (1) Subrecipient Monitoring – Annually; (2) Financial Management/Cost Allocation – Annually; (3) Procurement – every two years; (4) Property Management – every two years, and (5) Desk Reviews of Expenditures Reports – Monthly. |
| *[State how the LWDA violated compliance – what did they not do (or do) that caused the finding? What is the effect?]*  During program year 2020 (July 2020 to June 2021), the LWDA contracted with six (6) providers for its WIOA programs and services. Subrecipient monitoring was completed for four (4) of its six (6) subrecipients, with monitoring reports issued on 7/27/2022. The LWDA explained that the subrecipient monitoring for [name of subrecipient] and [name of subrecipient] was not completed due to the LWDA’s limited staff resources and the staff resources spent on engaging in the NYSDOL PY20 annual review, providing documentation and participating in technical assistance with NYSDOL staff to address the findings that resulted.  Furthermore, during our review of the subrecipient monitoring work papers for [name of subrecipient], it was observed that the subrecipient’s Single Audit review was not completed. We advised the LWDA that it is a responsibility of a pass-through entity to review its subrecipients’ single audit report to ensure that the audit report addressed all required elements, such as the requirements to include expenditures of WIOA funding, which is a federally funded grant in the Schedule of Expenditures of Federal Award (SEFA), auditor’s opinion on internal control and financial statement, etc.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Subrecipients | Contracted Services | Contract Terms | Contracted Amount | Total Reimbursed | Monitoring Complete? | | Name | Youth | 7/1/20 – 6/30/21 | $xx,xxx.00 | $xx,xxx.00 | Yes | | Name | Adult and DW | 7/1/20 – 6/30/21 | $xx,xxx.00 | $xx,xxx.00 | Yes | | Name | Youth | 7/1/20 – 6/30/21 | $xx,xxx.00 | $xx,xxx.00 | Yes | | Name | Adult, DW and Youth | 7/1/20 – 6/30/21 | $xx,xxx.00 | $xx,xxx.00 | Yes | | Name | Youth | 7/1/20 – 6/30/21 | $xx,xxx.00 | $xx,xxx.00 | No | | Name | System Operator | 7/1/20 – 6/30/21 | $xx,xxx.00 | $xx,xxx.00 | No | | |
| **Required Action** | *[Language detailed below is an example; however the monitor must update this required action to reflect appropriate program years/review period applicable to their current review finding.]*  As PY’21 ended 6/30/2022, requiring completion of the outstanding PY’21 subrecipient monitoring reviews during PY’23 would be untimely, and could cause delays in timely completion of PY’22 subrecipient monitoring. As such, the required action during PY’23 is priority completion of PY’22 subrecipient monitoring reviews that were not performed for PY’21. Additionally, a monitoring plan must be developed to ensure all required subrecipient monitoring for the next program year subrecipient awards, which were made for services during PY’22 (for the period of July 1, 2022 to June 30, 2023), must be completed by the end of PY’23, which falls on June 30, 2024. The annual monitoring cycle for PY’22 must begin as early in PY’23 as possible to ensure sufficient time is available to complete all required subrecipient monitoring.  To partially resolve this finding, the LWDA must provide a written response to this report finding detailing the monitoring timeline for all required PY’22 subrecipient monitoring.  To fully resolve this finding, in addition to the above, the LWDA must complete the PY22 review for subrecipient XX and send the completed work papers and issued monitoring reports to NYSDOL FOTA for review. |
| **Finding (STANDARD)** | **Subrecipient Monitoring reports were not distributed to all required recipients.** |
| **Compliance Requirement** | **NYSDOL Technical Advisory (TA) #21-05**  TA #21-05 requires the distribution list for written reports that result from remote and/or onsite monitoring and oversight shall include: [1] The agency being reviewed (subrecipient); [2] LWDB Chair (or designated LWDB member(s) to receive the report); [3] LWDB Executive Director (if this person is not the individual that performed the monitoring and is signing the written report); [4] The appropriate NYSDOL Financial Oversight and Technical Assistance (FOTA) and Program representatives; and [5] Grant Recipient CEO (and subrecipient CEO if the report is for the subrecipient CEO's county). |
| *[State how the LWDA violated compliance – what did they not do (or do) that caused the finding? What is the effect?]*  During the review, it was noted that subrecipient monitoring reports selected for sampling were issued to one of the required five recipients as defined in the distribution list of TA #21-05. Reports were issued to the respective leadership of the Agency under review, and copies of the reports were shared with LWDA Fiscal Staff. Subrecipient monitoring reports were not shared with the LWDB Chair (or LWDB members(s) designated to receive subrecipient monitoring reports), the LWDB Executive Director, NYSDOL FOTA and Program Representatives, or the Grant Recipient CEO.  Upon review of the current LWDA’s Monitoring and Oversight Plan and Sub-recipient Audit Resolution (Effective date Month xx, YYYY), it was noted that the local policy does not direct compliant report issuance action in accordance with TA #21-05. The policy currently reads, “Copies of correspondence [monitoring reports] will go to the person that coordinated the review and the program manager.” Further, local policy details, “…if there are any significant findings, a copy of the letter and any subsequent letters regarding the findings will be sent to our NYSDOL State Representative(s)." Therefore, the policy as written is not in direct compliance with TA #21-05. | |
| **Required Action** | Going forward, the LWDA must ensure subrecipient monitoring reports are issued to all required recipients, in accordance with TA #21-05. The LWDA is required to modify its subrecipient monitoring policy to ensure compliance with TA #21-05 and adhere to the policy for future monitoring and oversight.  To resolve this finding, the LWDA must:   1. Respond in writing, confirming future subrecipient monitoring reports will be issued to all parties on the required distribution listing dictated in TA #21-05. 2. Confirm in writing that local policy that directs monitoring and oversight has been updated to ensure compliance with TA #21-05. |
| **Finding (Common)** | **The local’s Subrecipient Monitoring policy/plan are not in compliance with TA #21-05.** |
| **Compliance Requirement** | **NYSDOL Technical Advisory (TA) #21-05**  *[Cite the requirement of the TA where the policy is lacking.]* |
| *[State how the LWDA violated compliance – what did they not do (or do) that caused the finding? What is the effect?]* | |
| **Required Action** | The LWDA is required to update its Policy to ensure that the policy is in compliance with TA #21-05 requirements.  To resolve this finding, the LWDA must provide a copy of the updated policy to FOTA for review. |
| Review Topic 5 – CLOSEOUT | |
| **FINDING (STANDARD)** | **The LWDA did not submitted closeout document for [list funding sources subject to closeout that were not submitted by the due date] by the required due dates.** |
| **Compliance Requirement** | NYSDOL TA #17-04 notes that revision to expenditures must be reported within two months of the program end date and the closeout packages are due on specific dates in the month following the period when the final expenditures are due. NYSDOL required the LWDAs to submit their closeout package for [list all funding sources subject to closeout] by mm/dd/yyyy. |
| Table below shows funding sources being closed out, their due dates and the dates the LWDA submitted their closeout packages.   |  |  |  | | --- | --- | --- | | Closeout Funds | Closeout Package Due Date | LWDA’s Submission Date | | PYxx WIOA | mm/dd/yyyy | mm/dd/yyyy | | FYXX TAA |  |  | |  |  |  | | |
| **Required Action** | The LWDA must provide a written response confirming that, going forward, timely submission of closeout documents will be prioritized, and that all future closeout packages will be submitted by the due dates as specified in TA #17-04. |
| **Finding (Common)** | **The reported cash expenditures for the closeout funds did not reconcile to the LWDA’s official book of account.** |
| **Compliance Requirement** | **2 CFR 200.344 Closeout and NYSDOL TA #17-04.**  2 CFR 200.344 Closeout provides under item (b) that “Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.”  NYSDOL Technical Advisory #17-04 provided that all expenditures for grants being closed must be incurred by 6/30/22 for PY19 WIOA formula funds and by 9/30/21 for FY19 TAA and PY18 TET funds. Any revisions to expenditures must be reported within two months of the program end date. |
| *[State how the LWDA violated compliance – what did they not do (or do) that caused the finding? What is the effect?]*  As part of our review process, we verified total cash expenditures reported to WIOA formula fund PY19, TAA FY19, and TET NDWG PY18 closeout funds to the LWDA’s official books of account, the Normal Trial Balance (NTB). It should be noted that NTB for period ending 6/30/21 was used for PY19 WIOA formula funds and NTB for period ending 9/30/21 was used for FY19 TAA and PY18 TET. It was observed that while the reported total expenditures equal the total funding authorized for each closeout fund, the LWDA’s NTB showed unliquidated liabilities although no liabilities were reported on the Closeout Document submitted to NYSDOL.  These credited liabilities (shown in column [D]) and expenses credits (shown in column [C]) were used to reduce the “Booked Expenditures per NTB.” As a result, based on this calculation, expenditures reported to NYSDOL were overstated by $41,169.59. The differences between the total expenditures reported to NYSDOL and the LWDA’s financial reports are included in the table below.   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Funding Sources subject to Closeout | [A] | [B] | [C] | [D] | Sum ([B]:[D]) = [F] | [A]-[F] = [G] | | Notice of Obligation Authority (NOA) | Booked Expenses per Normal Trial Balance (NTB) | LESS: Booked Expense Credits per NTB | LESS: Booked Credits and ADD: Booked Debits to Liability Accounts | Calculated Adjusted Total Expenses | Variances: NOA LESS “Calculated Adjusted Total Expenses” (Surplus)/Deficit | | PY19 Adult | 564,578.73 | 548,612.64 | (115.00) | 765.88 | 549,263.52 | 15,315.21 | | PY19 DW | 338,992.22 | 340,242.16 | (126.37) | 423.36 | 340,539.15 | (1,546.93) | | PY19 Youth | 618,021.65 | 598,098.89 | (373.49) | (12.07) | 597,713.33 | 20,308.32 | | PY19 Admin | 180,176.96 | 182,207.15 | (164.75) | (804.05) | 181,238.35 | (1,061.39) | | PY19 DW to Adult | 100,000.00 | 114,293.27 | (15.73) | (5.54) | 114,272.00 | (14,272.00) | | FY 19 TAA | 44,143.62 | 31,131.64 | - | (9,080.00) | 22,051.64 | 22,091.98 | | PY18 TET | 93,731.86 | 93,516.15 | (128.53) | 9.84 | 93,397.46 | 334.40 | | **TOTAL** | 1,939,645.04 | 1,908,101.90 | (923.87) | (8,702.58) | 1,898,475.45 | 41,169.59 |   On 2/23/23, a new NTB was provided for FY19 TAA and PY18 TET. Upon our review of the NTB, we concluded that the expenditures reported to the closed out FY19 TAA and PY18 TET funds reconciled to the LWDA’s official book of accounts for expenditures and revenues. No additional records were provided for PY19 WIOA closeout.  It was noted that discrepancies were also observed between the LWDA’s booked revenue per the NTB and NYSDOL total cash payments. For instance, funding authorized for PY19 DW fund was $338,992.22 while the LWDA’s booked revenue totaled $353,592.22, which resulted in revenue being overstated by $14,600.   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Funding Sources | NOA/Cash Pmt. | Revenue per Normal Trial Balance (NTB) | Difference between the NOA and Revenue per NTB | NTB Cash (Credit)/Debit | | PY19 Adult | 564,578.73 | 564,578.73 | 0.00 | 0.00 | | PY19 DW | 338,992.22 | 353,592.22 | (14,600.00) | 14,000.00 | | PY19 Youth | 618,021.65 | 618,021.65 | 0.00 | 600.00 | | PY19 Admin | 180,176.96 | 180,176.96 | 0.00 | 0.00 | | PY19 DW to Adult | 100,000.00 | 85,400.00 | 14,600.00 | (14,600.00) | | |
| **Required Action** | To resolve this finding, the LWDA is required to:   1. Reconcile the differences between the reported total expenditures and the LWDA’s official books of account for [list categories that are not reconciled, such as cash, revenue, and expenditures] for PYxx [name fund] funds. A copy of financial records showing the booked amount for revenues and expenditures equal to the total funding authorized for these grants must be provided to FOTA for review, OR 2. Adjust the amounts for surplus or deficit to fully expend the closeout funds. A copy of financial records showing the booked amount for revenues and expenditures equal to the total funding authorized for these grants must be provided to FOTA for review.   FOTA is available to provide remote or on-site technical assistance with the reconciliation process upon request. |