

FINANCIAL MONITORING REPORT

Subcontractor Name: Green Hills Regional Planning Commission
Programs Monitored: WIOA Adult, Dislocated Worker, Youth, TANF SkillUp, Job League
Monitoring: Quarter 1: Desktop - September 22, 2021 (period: month ending 8-31-21)
Quarter 2: On-Site - November 15–19, 2021 (period: 7-1-21 to 10-31-21)
Quarter 3: Desktop – March 30, 2022 (period: month ending 2-28-22)
Monitor: Jeanie Griffin, Fiscal Manager
Reviewed By: Brent Stevens, Executive Director
Signature: Brent Stevens
Date: 05 / 19 / 2022

I. Executive Summary and Scope of the Monitoring

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Section 2 CFR 200.329, requires the monitoring of activities under Federal awards to assure compliance with applicable Federal requirements. The Workforce Innovation and Opportunity Act (WIOA) Section 184 (a)(4), also mandates the monitoring of each local area within the State to ensure compliance with OMB's Uniform Guidance.

The WDB conducted a financial monitoring of the Green Hills Regional Planning Commission's financial operations for the period July 1, 2021 through March 30, 2022, in fulfillment of the requirements of the Uniform Guidance, WIOA, and other applicable Federal and State regulations. Financial monitoring is not an audit and due to the limited scope of the monitoring, may not disclose all systems' weaknesses. The results presented in this report are based on the areas reviewed by WDB staff. The United States Department of Labor, the Missouri State Auditor's Office or any other applicable federal or state body may conduct reviews and have different conclusions, opinions, and/or results.

The purpose of the monitoring review is to obtain reasonable assurance the subrecipient is in compliance with statutes, regulations, and terms and conditions of the sub-award. Reasonable assurance is the level of confidence or comfort based on professional judgment obtained through interviews, understanding the operations, and testing performed to assess the performance of the subrecipient. The results presented in this report are based on the areas reviewed by the WDB.

The scope of the financial monitoring utilized guidelines established in Uniform Guidance, 2 CFR 200.300 – 200.303 Standards for Financial Management Systems, 2 CFR 200.305(b) (8) Interest Earned on Advances, 2 CFR 200.307 Program Income, 2 CFR 200.313 Equipment, and 2 CFR 200.317-324 Procurement, WIOA, OWD, and the U.S. Department of Labor Employment and Training Administration (ETA).

The financial content areas and processes monitored include the following, as applicable:

Desktop in conjunction with monthly billing reimbursement

- Financial Management
- Budget/Expenditure Levels; Agency-to-Participant Cost Ratio
- Cash Receipts
- Time Allocation
- Cost Allocation
- ALL Participant Payments for the reporting period

On-site review items listed above as well as:

- Review of all Financial Policies and Procedures, Accounting system, Separation of duties, personnel policies, organizational chart, completion of the fiscal functions and internal control questionnaire,
- Insurance Coverages/Bonding
- Accrued Leave

- Review of all staff wages and agency operational expenses for the reporting period
- Bank Statement and Reconciliation tracing
- Excess Cash Reporting
- Program Income/Stand-In Costs/Leveraged Resources Review
- Interest Earned on Advances; pledged security agreement
- Procurement
- Inventory
- Salary/Bonus Limitations
- E-Verify
- Participant Service Levels/Mojobs reconciliation
- ICR Compliance
- Audit Resolution
- Prior Year/Quarter Monitoring

II. Results of Financial Monitoring Review

The WDB rates issues discovered during financial monitoring review at two levels of severity: compliance findings and areas of concern, as defined below. In addition, opportunities have been identified and are also included below.

Compliance Findings - Compliance findings (findings) are items that disclose areas of significant non-compliance with WIOA, federal regulations, workforce development issuances or guidance, and material weaknesses in internal controls. Findings require written corrective action plans by either accepting the WDB's recommendation or proposing and receiving approval for an alternate course of action. Regulatory compliance monitors will provide citations from WIOA, federal regulations, or OWD issuances and procedures to identify specific area of non-compliance and will explain the corrective measures necessary for resolution.

The results of our monitoring disclosed no compliance findings.

Areas of Concern - Areas of concern (concerns) are items that may or may not be compliance-based but may impede effectiveness and efficiency of providing services to individual and business customers. Concerns are suggestions to management and do not generally require a response unless specifically indicated. Resolved findings and accompanying corrective actions may be included in this category. Concerns, although resolved, may rise to a level of severity that is subject to follow-up during subsequent review. Regulatory compliance monitors may offer suggestions or guidance to assist the entity in making improvements or may make a referral for further technical assistance.

The results of our monitoring disclosed 4 Areas of Concern. The areas of concern may require corrective action. A written response to address these concerns, if required, are due within 30 days of the date of this report. The response and action plan are to be submitted to the WDB Office to the attention of Brent Stevens Jeanie Griffin at bstevens@ncmissouri.edu and jgriffin@mail.ncmissouri.edu

Concern – 1: The WDB requires an 80% expenditure requirement of all funds by June 30th of each program year, with 100% of all carryover funds spent. As of October 31, 2021, our report indicated that Adult expenditures, were reported at 54% and DW at 17% for 34% of the program year. Additional participant obligations not paid would increase the expenditure rate in the Adult program to 68% and DW to 24%. It was noted that the agency should consider a transfer of DW funds to the adult program to allow better flexibility in spending to meet customer needs and expenditure levels. As of April 30, 2021, GHRPC has requested a two different transfer requests totaling \$22,000 from DW to Adult to meet customer needs. Expenditure levels as of this date are reported at 75% for Adult and 64% for DW. Additional obligations bring expenditure levels to 95% for the Adult program and 73% for DW, with all participant funds obligated.

Corrective Action: None at this time. The Agency has done a good job to monitor budgets and expenditures since the concern was first noted, and has made efforts to transfer funds where needed to ensure the best flexibility for spending and meeting customer needs. GHRPC will have very little to any funds available in the adult and DW programs to carry into PY22.

Concern – 2: As of October 31, 2021, expenditures for the Job League program are low with no participant activity noted. As of April 30, 2021, participant activity and expenditures continued to show no signs of improvement and therefore the funds contracted to GHRPC have been deobligated and returned to DSS.

Corrective Action: No further action needed as remaining funds were returned to DSS.

Concern – 3: WIOA regulations require that 20% of funding be spent on Work Experience activities. As of October 31, 2021, our report indicated that GHRPC was meeting the 20% expenditure requirement. Since that time, the work experience activities for those 4 youth have ended. As of April 30, 2021, the work experience expenditure rate has dropped to 8%. GHRPC has enrolled one additional youth to begin work in June, but is not on target to meet the requirement by June 30, 2021.

Corrective Action: Please provide a response as to what steps the agency has taken or intends to take to increase work experience activities to youth to ensure this requirement is met.

Concern – 4: 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards establishes the guidance for setting policies and systems in place. Upon review of GHRPC's policies and procedures as of October 31, 2021, the Accounting and Financial Manual needs to be updated to include references of compliance to Uniform Administrative Requirements (2 CFR, Part 200) as well as references to internal controls (2 CFR 200.303); property standards (2 CFR 200.310-316) and procurement (2 CFR part 200.317-327). In addition, GHRPC has incorporated the WDB's policies on record retention and inventory that were recently updated by the WDB that need to be updated. The agency's Cost Allocation Plan has incorrect references to WIOA and Uniform Guidance that needs to be corrected.

Corrective Action: Please provide copies of the updated Accounting and Financial Manual, Cost Allocation Plan, Record Retention and Inventory policies.

Opportunities - Opportunities are items the WDB has suggested for revision to strengthen internal controls, improve financial processing efficiencies or other processes. These pertain to effectiveness issues and do not require a written response.

During the monitoring, the WDB identified the following opportunities for consideration:

Opportunity - 1: As of October 31, 2021, expenditures to Out-of-School Youth were slightly low at 71%. As of April 30, 2022, the Agency has worked to increase this rate to 79% and is on target to meet the 75% requirement by June 30, 2022.

Opportunity – 2: During the course of the various monitoring's throughout the year, there were instances where support documentation for gains testing, clothing for a truck driving student, phone bill for Google Sideline were not adequate. In addition, mileage reimbursement to an adult participant was overpaid by one day's worth of travel (\$16). GHRPC staff have worked to correct these deficiencies but need to ensure that support documentation is adequate and meets guidelines when issuing payments to participants and vendors.

III. Prior Year Corrective Action Status

The prior year on-site financial monitoring was conducted February 22-24, 2021. The report issued contained 4 Areas of Concern and 4 comments, now referenced as opportunities. The Concerns were in the areas of low work experience expenditure rates for youth, low services levels for youth, allocating copier costs and extra duty work for employees. Neither the concerns or comments required any corrective action.

GHRPC, as of October 31, 2021, was meeting the work experience expenditure rate, however that rate has dropped to 8% currently resulting in a concern noted in this report. The concerns for low expenditure rates and service levels for youth is not a concern at this time.

FINANCIAL MONITORING REPORT

Subcontractor Name: Northwest Regional Council of Governments
Programs Monitored: WIOA Adult, Dislocated Worker, OSO, SkillUp & RESEA
Monitoring: Quarter 1: Desktop - September 22, 2021 (period: month ending 8-31-21)
Quarter 2: On-Site - November 30, 2021 (period: 7-1-21 to 10-31-21)
Quarter 3: Desktop – March 30, 2022 (period: month ending 2-28-22)
Monitor: Jeanie Griffin, Fiscal Manager
Reviewed By: Brent Stevens, Executive Director
Signature: Brent Stevens
Date: 05/19/2022

I. Executive Summary and Scope of the Monitoring

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Section 2 CFR 200.329, requires the monitoring of activities under Federal awards to assure compliance with applicable Federal requirements. The Workforce Innovation and Opportunity Act (WIOA) Section 184 (a)(4), also mandates the monitoring of each local area within the State to ensure compliance with OMB's Uniform Guidance.

The WDB conducted a financial monitoring of the Northwest Regional Council of Government's financial operations for the period July 1, 2021 through March 31, 2022, in fulfillment of the requirements of the Uniform Guidance, WIOA, and other applicable Federal and State regulations. Financial monitoring is not an audit and due to the limited scope of the monitoring, may not disclose all systems' weaknesses. The results presented in this report are based on the areas reviewed by WDB staff. The United States Department of Labor, the Missouri State Auditor's Office or any other applicable federal or state body may conduct reviews and have different conclusions, opinions, and/or results.

The purpose of the monitoring review is to obtain reasonable assurance the subrecipient is in compliance with statutes, regulations, and terms and conditions of the sub-award. Reasonable assurance is the level of confidence or comfort based on professional judgment obtained through interviews, understanding the operations, and testing performed to assess the performance of the subrecipient. The results presented in this report are based on the areas reviewed by the WDB.

The scope of the financial monitoring utilized guidelines established in Uniform Guidance, 2 CFR 200.300 – 200.303 Standards for Financial Management Systems, 2 CFR 200.305(b) (8) Interest Earned on Advances, 2 CFR 200.307 Program Income, 2 CFR 200.313 Equipment, and 2 CFR 200.317-324 Procurement, WIOA, OWD, and the U.S. Department of Labor Employment and Training Administration (ETA).

The financial content areas and processes monitored include the following, as applicable:

Desktop in conjunction with monthly billing reimbursement

- Financial Management
- Budget/Expenditure Levels; Agency-to-Participant Cost Ratio
- Cash Receipts
- Time Allocation
- Cost Allocation
- ALL Participant Payments for the reporting period

On-site review items listed above as well as:

- Review of all Financial Policies and Procedures, Accounting system, Separation of duties, personnel policies, organizational chart, completion of the fiscal functions and internal control questionnaire,
- Insurance Coverages/Bonding
- Accrued Leave

- Review of all staff wages and agency operational expenses for the reporting period
- Bank Statement and Reconciliation tracing
- Excess Cash Reporting
- Program Income/Stand-In Costs/Leveraged Resources Review
- Interest Earned on Advances; pledged security agreement
- Procurement
- Inventory
- Salary/Bonus Limitations
- E-Verify
- Participant Service Levels/Mojobs reconciliation
- ICR Compliance
- Audit Resolution
- Prior Year/Quarter Monitoring

II. Results of Financial Monitoring Review

The WDB rates issues discovered during financial monitoring review at two levels of severity: compliance findings and areas of concern, as defined below. In addition, opportunities have been identified and are also included below.

Compliance Findings - Compliance findings (findings) are items that disclose areas of significant non-compliance with WIOA, federal regulations, workforce development issuances or guidance, and material weaknesses in internal controls. Findings require written corrective action plans by either accepting the WDB's recommendation or proposing and receiving approval for an alternate course of action. Regulatory compliance monitors will provide citations from WIOA, federal regulations, or OWD issuances and procedures to identify specific area of non-compliance and will explain the corrective measures necessary for resolution.

The results of our monitoring disclosed no compliance findings.

Areas of Concern - Areas of concern (concerns) are items that may or may not be compliance-based but may impede effectiveness and efficiency of providing services to individual and business customers. Concerns are suggestions to management and do not generally require a response unless specifically indicated. Resolved findings and accompanying corrective actions may be included in this category. Concerns, although resolved, may rise to a level of severity that is subject to follow-up during subsequent review. Regulatory compliance monitors may offer suggestions or guidance to assist the entity in making improvements or may make a referral for further technical assistance.

The results of our monitoring disclosed 1 Area of Concern. A written response to address this concern is due within 30 days of the date of this report. The response and action plan are to be submitted to the WDB Office to the attention of Brent Stevens Jeanie Griffin at bstevens@ncmissouri.edu and jgriffin@mail.ncmissouri.edu

Concern – 1: 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards establishes the guidance for setting policies and systems in place. Upon review of NWRCOG's policies and procedures as of October 31, 2021, the Accounting Policies and Procedures needs to be updated to include references of compliance with Uniform Administrative Requirements (2 CFR, Part 200) as well as references to internal controls (2 CFR 200.303); property standards (2 CFR 200.310-316); procurement (2 CFR part 200.317-327) and record retention (2 CFR 200.334). In addition, NWRCOG's cost allocation plan needs updated to corrected to update references of 2 CFR 225 to U.G. Appendix VII, Part 200.C.1 for the simplified allocation method; 2 CFR 200 Subpart E, 200.400-476 for cost principles for allowable/unallowable costs.

Corrective Action: Please provide copies of the updated Accounting Policies and Procedures and Cost Allocation Plan.

Opportunities - Opportunities are items the WDB has suggested for revision to strengthen internal controls, improve financial processing efficiencies or other processes. These pertain to effectiveness issues and do not require a written response.

During the monitoring, the WDB identified the following opportunity for consideration:

Opportunity – 1: During the monitoring, there was an instance where support documentation for a welding exam was not adequate. NWRCOG staff have worked to correct the deficiency but need to ensure that support documentation is adequate and meets guidelines when issuing payments to participants and vendors.

III. Prior Year Corrective Action Status

The prior year on-site financial monitoring was conducted January 19-21, 2021. The report issued contained 2 Areas of Concern and 3 comments, now referenced as opportunities. The Concerns consisted of low expenditure rate for youth work experience and a need for additional funding in the adult program. NWRCOG provided a request for additional funding in February, 2021 to meet adult obligations for the 2020-2021 program year. NWRCOG fell short of meeting the 20% work experience expenditure rate for youth, however, NWRCOG did not submit an RFP to continue to operate the youth program for this current program year. Issues resolved.

FINANCIAL MONITORING REPORT

Subcontractor Name: Mo-Kan Regional Council
Programs Monitored: WIOA Adult, Dislocated Worker, TANF SkillUp
Monitoring: Quarter 1: Desktop - September 22, 2021 (period: month ending 8-31-21)
Quarter 2: Desktop – December 17, 2021 (period: month ending 11-30-21)
Quarter 3: On-Site – January 25-26, 2021 (period: 7-1-21 to 12-31-21)
Monitor: Jeanie Griffin, Fiscal Manager
Reviewed By: Brent Stevens, Executive Director
Signature: Brent Stevens
Date: 05/31/2022

I. Executive Summary and Scope of the Monitoring

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Section 2 CFR 200.329, requires the monitoring of activities under Federal awards to assure compliance with applicable Federal requirements. The Workforce Innovation and Opportunity Act (WIOA) Section 184 (a)(4), also mandates the monitoring of each local area within the State to ensure compliance with OMB's Uniform Guidance.

The WDB conducted a financial monitoring of the Mo-Kan Regional Council's financial operations for the period July 1, 2021 through March 30, 2022, in fulfillment of the requirements of the Uniform Guidance, WIOA, and other applicable Federal and State regulations. Financial monitoring is not an audit and due to the limited scope of the monitoring, may not disclose all systems' weaknesses. The results presented in this report are based on the areas reviewed by WDB staff. The United States Department of Labor, the Missouri State Auditor's Office or any other applicable federal or state body may conduct reviews and have different conclusions, opinions, and/or results.

The purpose of the monitoring review is to obtain reasonable assurance the subrecipient is in compliance with statutes, regulations, and terms and conditions of the sub-award. Reasonable assurance is the level of confidence or comfort based on professional judgment obtained through interviews, understanding the operations, and testing performed to assess the performance of the subrecipient. The results presented in this report are based on the areas reviewed by the WDB.

The scope of the financial monitoring utilized guidelines established in Uniform Guidance, 2 CFR 200.300 – 200.303 Standards for Financial Management Systems, 2 CFR 200.305(b) (8) Interest Earned on Advances, 2 CFR 200.307 Program Income, 2 CFR 200.313 Equipment, and 2 CFR 200.317-324 Procurement, WIOA, OWD, and the U.S. Department of Labor Employment and Training Administration (ETA).

The financial content areas and processes monitored include the following, as applicable:

Desktop in conjunction with monthly billing reimbursement

- Financial Management
- Budget/Expenditure Levels; Agency-to-Participant Cost Ratio
- Cash Receipts
- Time Allocation
- Cost Allocation
- ALL Participant Payments for the reporting period

On-site review items listed above as well as:

- Review of all Financial Policies and Procedures, Accounting system, Separation of duties, personnel policies, organizational chart, completion of the fiscal functions and internal control questionnaire,
- Insurance Coverages/Bonding
- Accrued Leave

- Review of all staff wages and agency operational expenses for the reporting period
- Bank Statement and Reconciliation tracing
- Excess Cash Reporting
- Program Income/Stand-In Costs/Leveraged Resources Review
- Interest Earned on Advances; pledged security agreement
- Procurement
- Inventory
- Salary/Bonus Limitations
- E-Verify
- Participant Service Levels/Mojobs reconciliation
- ICR Compliance
- Audit Resolution
- Prior Year/Quarter Monitoring

II. Results of Financial Monitoring Review

The WDB rates issues discovered during financial monitoring review at two levels of severity: compliance findings and areas of concern, as defined below. In addition, opportunities have been identified and are also included below.

Compliance Findings - Compliance findings (findings) are items that disclose areas of significant non-compliance with WIOA, federal regulations, workforce development issuances or guidance, and material weaknesses in internal controls. Findings require written corrective action plans by either accepting the WDB's recommendation or proposing and receiving approval for an alternate course of action. Regulatory compliance monitors will provide citations from WIOA, federal regulations, or OWD issuances and procedures to identify specific area of non-compliance and will explain the corrective measures necessary for resolution.

The results of our monitoring disclosed 1 compliance finding. This finding requires a written response to address the finding and is due within 30 days from the date of this report. The response and action plan are to be submitted to the WDB Office to the attention of Brent Stevens and Jeanie Griffin at bstevens@mail.ncmissouri.edu and jgriffin@mail.ncmissouri.edu

Finding 1 - Internal Controls: Uniform Guidance 2 CFR 200.303 requires a grantee to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The WDB, in compliance with the DHEWD Financial Manual, requires Subrecipient(s) have the responsibility to institute adequate and effective internal controls that safeguard federal awards against the risk of mismanagement, fraud, waste, and program abuse. In so doing, steps must be taken to ensure that the internal control processes provide reasonable assurance for compliance with applicable statutes and regulations, as well as the terms and conditions of the federal awards which (in part) includes:

- Adequate segregation of duties to ensure that no one person has control over all parts of a process

Based on the personnel responsible for fiscal functions questionnaire completed by MKRC staff, the agency does not have adequate separation of duties for its fiscal functions. Current practice indicates that the Fiscal Officer is handling all cash receipts, cash disbursements and reconciling bank statements. Before the new Fiscal Officer and Executive Director were hired, the Senior Loan Office was serving as an interim in both the Fiscal and Director roles and performing all fiscal and authorization processes.

Corrective Action/Recommendation: While it is understood that MKRC has a limited number of staff, there are 6 staff aside from the Executive Director and Fiscal Officer on-site at the MKRC building. It is the recommendation of the WDB that MKRC determine what other staff can be assigned, at a minimum, the cash receipt handling function to help reduce the risk caused to the Agency for non-compliance.

Areas of Concern - Areas of concern (concerns) are items that may or may not be compliance-based but may impede effectiveness and efficiency of providing services to individual and business customers. Concerns are suggestions to management and do not generally require a response unless specifically indicated. Resolved findings and accompanying corrective actions may be included in this category. Concerns, although resolved, may rise to a level of severity that is subject to follow-up during subsequent review. Regulatory compliance monitors may offer suggestions or guidance to assist the entity in making improvements or may make a referral for further technical assistance.

The results of our monitoring disclosed 3 Areas of Concern. The areas of concern may require corrective action. A written response to address these concerns, if required, are due within 30 days of the date of this report. The response and action plan are to be submitted to the WDB Office to the attention of Brent Stevens and Jeanie Griffin at bstevens@ncmissouri.edu and jgriffin@mail.ncmissouri.edu

Concern 1 – Financial Management: First and second quarter’s review resulted in several errors in billings submitted to the WDB due to the turnover in financial staff.

- The final closeout bill for June was not submitted correctly resulting in an underpayment of \$3,077. This was processed in the new year (September) which has required extra work throughout the year to ensure this is tracked and reported correctly.
- The bank reconciliation for the month of December was off by \$1,182 between the balance sheet and reconciliation document.
- Of the 4 new staff hired by MKRC during the previous monitoring period, only 1 was e-verified within the 3 business day requirement. One staff was 5 months over; one staff was 4 months over and the final was 4 business days over.
- Transportation payment to an adult client for travel in June was not paid until August. Every effort should have been made to have this paid or accrued with the final closeout payment in July.
- The audit report for the period ending 6-30-2020 was not submitted to the WDB on time. Based on audit submission requirements, the audit should have been submitted to the Federal Audit Clearinghouse (FAC) as well as to the WDB on 3-24-2021. The audit was submitted to the FAC on time, but the WDB received a copy on 5-4-2021.

Corrective Action: None at this time. With the employment of the new Fiscal Officer in June, 2021 billings submitted to the WDB have greatly improved. Any requests for additional information to correct discrepancies or to follow-up on discrepancies have been submitted in a timely manner to get issues quickly resolved. MKRC is reminded to have a good check and balance in place to ensure documents are authorized, processed, and reviewed correctly. In addition, MKRC staff need to be aware of e-verify and audit reporting deadline reporting requirements.

Concern – 2 - Policies: 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards establishes the guidance for setting policies and systems in place. Upon review of MRC’s policies and procedures as of December 31, 2021, the Fiscal Procedures Manual was in draft form from updates proposed by the previous fiscal officer. These updates, as well as references of compliance to Uniform Administrative Requirements (2 CFR, Part 200); internal controls (2 CFR 200.303); property standards (2 CFR 200.310-316) and procurement (2 CFR part 200.317-327) need to be included. In addition, MKRC has incorporated the WDB’s policies on record retention and inventory that were recently updated by the WDB that need to be updated in the Fiscal Procedures Manual.

MKRC’s Cost Allocation Plan, as of December 31, 2021, was in draft form from proposed changes by the previous fiscal officer. These changes as well as references of compliance with U.G. 200 Subpart E on Cost Principles and 2 CFR 412-414 classification of direct and indirect costs need to be added.

Corrective Action: Please provide copies of the updated Fiscal Procedures Manual, Cost Allocation Plan, Record Retention and Inventory policies.

Concern – 3 Expenditures: As of April 30, 2022, expenditures to adult and dislocated are reported at 57% and 44% respectively. In order to meet the 80% expenditure requirement by 6-30-22, MKRC needs to be at 66%. There are very little outstanding participant obligations reported.

Corrective Action: None at this time. MKRC staff need to work to ensure all participant obligations are recorded on the on-line tracking sheets.

Opportunities - Opportunities are items the WDB has suggested for revision to strengthen internal controls, improve financial processing efficiencies or other processes. These pertain to effectiveness issues and do not require a written response.

During the monitoring, the WDB identified the following opportunity for consideration:

Opportunity – 1: During the on-site monitoring, we noted a couple instances where 1) the renewal policy for Errors and Omission's insurance was not on file and 2) that the bank statement and reconciliation process was not being reviewed or signed by the Executive Director. A copy of the insurance renewal was provided to the WDB office as well as a copy of the January, 2022 bank statement and reconciliation process to include the Executive Director and Board Chairs initials. While these two oversight issues have been resolved, the agency needs to be mindful internal control requirements to ensure management staff are providing adequate oversight for financial operations.

III. Prior Year Corrective Action Status

The prior year on-site financial monitoring was conducted November 17-23, 2020. The report issued contained 1 Area of Concern and 1 comment, now referenced as opportunities. The Concern related to e-verify not being performed in time. The comment was in regard to adequate support documentation for supportive services. Neither concern or comment required a response.

Our on-site review of e-verify documents resulted in 3 of the 4 staff hired by MKRC out of compliance with the 3-day requirement. This is noted in Concern # 1 above. The current Fiscal Manager is aware of the e-verify reporting requirement and from the time of her employment, e-verify has been in compliance.

FINANCIAL MONITORING REPORT

Subcontractor Name: St. Joseph Youth Alliance
Programs Monitored: WIOA Youth and TANF Job League
Monitoring: Quarter 1: Desktop - September 22, 2021 (period: month ending 8-31-21)
Quarter 2: Desktop – December 17, 2021 (period: month ending 11-30-21)
Quarter 3: On-site – February 16-18, 2022 (period: 7-1-21 to 1-31-22)
Monitor: Jeanie Griffin, Fiscal Manager
Reviewed By: Brent Stevens, Executive Director
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The WDB conducted a financial monitoring of the St. Joseph Youth Alliance's financial operations for the period July 1, 2021 through March 30, 2022, in fulfillment of the requirements of the Uniform Guidance, WIOA, and other applicable Federal and State regulations. Financial monitoring is not an audit and due to the limited scope of the monitoring, may not disclose all systems' weaknesses. The results presented in this report are based on the areas reviewed by WDB staff. The United States Department of Labor, the Missouri State Auditor's Office or any other applicable federal or state body may conduct reviews and have different conclusions, opinions, and/or results.

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The scope of the financial monitoring utilized guidelines established in Uniform Guidance, 2 CFR 200.300 – 200.303 Standards for Financial Management Systems, 2 CFR 200.305(b) (8) Interest Earned on Advances, 2 CFR 200.307 Program Income, 2 CFR 200.313 Equipment, and 2 CFR 200.317-324 Procurement, WIOA, OWD, and the U.S. Department of Labor Employment and Training Administration (ETA).

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- Insurance Coverages/Bonding
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- Review of all staff wages and agency operational expenses for the reporting period
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The results of our monitoring disclosed no compliance findings.

Areas of Concern - Areas of concern (concerns) are items that may or may not be compliance-based but may impede effectiveness and efficiency of providing services to individual and business customers. Concerns are suggestions to management and do not generally require a response unless specifically indicated. Resolved findings and accompanying corrective actions may be included in this category. Concerns, although resolved, may rise to a level of severity that is subject to follow-up during subsequent review. Regulatory compliance monitors may offer suggestions or guidance to assist the entity in making improvements or may make a referral for further technical assistance.

The results of our monitoring disclosed 5 Areas of Concern. The areas of concern may require corrective action. A written response to address these concerns, if required, are due within 30 days of the date of this report. The response and action plan are to be submitted to the WDB Office to the attention of Brent Stevens Jeanie Griffin at bstevens@ncmissouri.edu and jgriffin@mail.ncmissouri.edu

Concern – 1: Turn over in Staffing: First quarters review resulted in the clean-up of errors from the June, 2021 closeout billing due to the resignation of their Director of Finance just after 11 months of employment. The former Director of Finance agreed to provide limited assistance in the interim while a new Director of Finance was hired and trained. Discrepancies in Job League and WIOA youth were resolved with the October, 2021 billing. A new Director of Finance was hired in November, 2021.

Corrective Action: None. As of April 30, 2022, the Director of Finance is doing a great job and has caught on quickly with no issues.

Concern – 2: Expenditures NW sub-region: The WDB requires an 80% expenditure requirement of all funds by June 30th of each program year, with 100% of all carryover funds spent. Quarterly monitoring's as well as the on-site review, continue to show expenditures for the WIOA Youth program in the Northwest sub-region low. As of April 30, 2022, reports indicate a 26% expenditure rate. SJYA is not on track to meet the 80% expenditure requirement by 6-30-22 as they need to be at a 66% level. Tracking sheets show only 3 youth in this 5-county sub-region are receiving a funded service. As a result, reports are showing an extremely high agency-to-participant cost ration of 88% (agency) to 12% (participant).

Corrective Action: Please provide a response indicating what steps have been taken to ensure an increase in service levels and expenditures are provided to youth in the 5-county NW sub-region.

Concern – 3: Work Experience Requirement NW sub-region: WIOA regulations require that 20% of funding be spent on Work Experience activities. Quarterly monitoring's as well as our on-site review show low expenditures to work experience. As of January 31, 2022, our report indicated that SJYA was reporting a 5% work experience expenditure rate for the northwest sub-region. As of April 30, 2021, the work experience expenditure rate has dropped to 4%. SJYA is not on track to meet the 20% WE expenditure requirement by June 30, 2021 in this 5-county NW sub-region.

Corrective Action: Please provide a response indicating what steps have been taken to ensure an increase in work experience activities are provided to youth in the 5-county NW sub-region.

Concern – 4: Job League ABCD/NW sub-region: Quarterly monitoring's have shown no activity for Job League in the NW sub-region and low expenditures for ABCD. As of January 31, 2022, the NW sub-region continued to show no enrollments nor expenditures and the ABCD sub-region reported a 24% expenditure level. As of April 30, 2021, participant activity and expenditures for NW continued to be none and ABCD showed a slight improvement to 38%. When determining what funds could be returned to DSS, SJYA staff indicated a need for these funds. However, progress has been slow to get started.

Corrective Action: Please provide a response indicating what steps have been taken to increase Job League activity in both the ABCD and NW sub-regions.

Concern – 5: Financial Policies: 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards establishes the guidance for setting policies and systems in place. Upon review of SJYA's policies and procedures as of January 31, 2022, the Financial Policy Manual needs updated to correct citations for procurement to be 2 CFR 200.317-327; record retention to be 2 CRF 200.334 and add compliance with 2 CFR 200307 for program income

Corrective Action: Please update the Financial Policy Manual and provide a copy to the WDB once the Board has approved.

Opportunities - Opportunities are items the WDB has suggested for revision to strengthen internal controls, improve financial processing efficiencies or other processes. These pertain to effectiveness issues and do not require a written response.

During the monitoring, the WDB identified the following opportunities for consideration:

Opportunity - 1: During the course of quarterly monitoring's, we discovered errors with participant time sheets. Errors consisted of hours mis-calculated between the actual time sheet and the time sheet cover log, signatures missing by either the participant or the worksite supervisor or time sheets signed and dated prior to the last date worked. Staff have worked to correct any time sheets with errors except for one youth who no longer is an active participant. Two different time sheets, resulted in mis-calculated hours with a total of 10.31 that was over paid to the youth. It was determined that this amount was insignificant to recoup. SJYA staff are reminded to clearly review time sheets to ensure all signatures and dates are in place, that time sheets are signed and dated by the youth and worksite supervisor after the last date worked and that any differences between hours worked on the time sheet and time sheet cover log are noted and initialed by staff.

Opportunity – 2: Quarterly monitoring reviews revealed that purchases made using the credit card did not always include a participant payment voucher. SJYA staff are reminded that a completed participant payment voucher is needed for all participant supportive services to document the service being provided, to reflect the signature of the authorized program staff's, and to have a copy included in the participants file to support the service received.

III. Prior Year Corrective Action Status

The prior year on-site financial monitoring was conducted December 14-18, 2020. The report issued did not have any findings or Areas of Concern. There were two comments, now referenced as opportunities, but did not require any corrective action.