


Northeastern Workforce Development Board (NWDB) Policy and Procedures Subrecipient Fiscal Monitoring	
Policy 011	EFFECTIVE DATE: May 15, 2018
Approved by: NWDB - Executive Director	

SECTION I – RESPONSIBILITY AND AUTHORITY

Sub-Recipient Monitoring Procedure – Refer to Subpart D of 2 CFR 200.331

Who/When: Monitoring will be conducted by NWDB Fiscal Staff. Although monitoring is a continuous and on-going process, a formal on-site review and follow-up letter of findings/concerns shall be conducted and issued no less than annually. This monitoring will be conducted during the fiscal year being monitored and will be preventative in nature, as opposed to auditing which is conducted within 9 months following the end of fiscal year and is corrective in nature (see Annual Audit).

Pre-Site Visit: NWDB Fiscal Staff will coordinate as follows:

- Prepare Entrance Letter to contact person identified in subaward
- Set up time for on-site visit to monitor fiscal operations
- Distribute monitoring tool questionnaire (see attached) and request copies of the following:
 - Chart of Accounts
 - Cost Allocation Plan and/or Indirect Cost Rate Agreement
 - Check Register
 - Payroll Register
 - Financial Policies & Procedures
 - Quarterly Financial Reports for most recent quarter and supporting general ledger detail*
 - Drawdowns submitted for most recent month and supporting general ledger detail*

*NWDB routinely requires general ledger backup documentation for all of its drawdowns, so this information is generally already on hand and is routinely reviewed during the course of the year.

Site Visit: NWDB Fiscal Staff will interview subaward fiscal personnel to complete the monitoring tool questionnaire. NWDB is currently using the USDOL ETA’s Core Monitoring Guide (2005), Core Activity 3 Financial Management Systems, as a monitoring tool. At the end of the Site Visit, NWDB staff will conduct a de-briefing exit interview with subaward personnel to review the results of the monitoring. The discovery of any issues will be identified and discussed, and the subrecipient will be given the opportunity to submit a corrective action plan to NWDB within 14 days of the visit.

Post Site Visit: NWDB Fiscal Staff will review monitoring results and corrective action plan submissions, if applicable and will issue a report to the subrecipient within 30 days of the Site Visit. The report will outline all issues & findings and determine if they have been resolved with a corrective action plan or remain outstanding. For all outstanding findings, a Corrective Action Plan will be requested from the Subrecipient within 14 days. NWDB will provide technical assistance on resolving the finding, as needed.

Audit Resolution Policy - Refer to Subpart F of 2 CFR 200.501-200.507

This audit resolution policy is in effect for audits of sub recipients of NWDB. Each sub recipient shall obtain an audit that meets the requirements of the appropriate OMB circular and forward a copy of the report to the Finance Manager of NWDB.

Upon receipt of the audit report, the Finance Manager will review the audit and comments in the audit, to determine if there are any areas that require attention. For those comments that require attention, the Finance Manager, NWDB's auditor and the Board Chairman will determine if the response by the sub recipient is adequate for acceptance as a Corrective Action Plan. Should there be no areas that require attention and/or should the responses be adequate for Corrective Action Plans, the Finance Manager will notify the sub recipient, thereby closing the file on the audit.

Should there be areas that require attention, or should the Finance Manager need further information, the sub recipient will be requested to submit the necessary information within thirty (30) working days. The Corrective Action Plan must be implemented by the sub recipient within six (6) months from the receipt of the audit report.

If the findings identify questioned costs that are subsequently disallowed during the audit resolution process, the Finance Manager shall require the sub recipient to repay the disallowed cost within sixty (60) working days of receipt of the notice of disallowance.

The sub recipient has the right under this policy to request a hearing on the decision concerning the findings of the audit. A written request for a hearing must be submitted to NWDB within thirty (30) calendar days of notification that the findings have been sustained. If the appeal request is found to be proper, a hearing official will be appointed, and the time and location of the hearing established. The sub recipient will be notified in writing of the hearing time and location, and the procedures of the hearing. Upon completion of the hearing, the hearing official will make a report to NWDB, who will then notify the sub recipient of the final decision.

At the end of the six (6) months from the receipt of the audit report by the sub recipient, a follow-up visit may be made to certify that the Corrective Action Plan has been implemented. If the sub recipient has not implemented the Corrective Action Plan, the Finance Manager will recommend that appropriate action be taken.