

State of Alaska

Department of Labor and Workforce Development

Divisions: Alaska Workforce Investment Board (AWIB), Employment and Training Services (DETS)	Policy: 07-523.2
Subject: Monitoring and Single Audit	Pages: 2
Reference: Federal Register 2 CFR Part 200.328 Monitoring and Reporting Program Performance ; 8 AAC 87.170 Records Inspection and Retention Program Monitoring ; 20 CFR Part 682 Statewide Activities Under Title I of the Workforce Innovation and Opportunity Act ; Workforce Innovation and Opportunity Public Law 113-128 ; Single Audit Act of 1984, as amended in 1996 ; 31 USC Chapter 75 – Requirements for Single Audits ; WIOA Program Oversight Firewall 01.02.001 ; Grant Monitor Corrective Action Plan Timelines Policy 200-2016	Effective: 2/3/2016 Revised: 6/19/2020
Approved:  _____ Louise Dean, Executive Director, AWIB	6/30/2020 _____ Date
Approved:  _____ Patsy Westcott, Director, DETS	6/30/2020 _____ Date

1. Parties Affected

The Alaska Workforce Investment Board (AWIB) and Division of Employment and Training Services (DETS) staff, and subrecipients receiving public funds from AWIB/DETS.

2. Background

Federal uniform administrative requirements for subawards, as promulgated in the Office of Management and Budget Circulars and in state and federal statutes and regulations, require monitoring to ensure sound financial management and alignment of program activities with legislative or other funding source intent.

Monitoring consists of a review of both financial and programmatic elements. A subrecipient's **financial management system** must:

- provide fiscal control and accounting procedures to permit timely preparation of reports;
- permit the tracing of funds to establish utilization of funds for allowable activities only;
- demonstrate compliance with matching requirements, cost limitations, and correct classification of costs;

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- provide the correct allocation of costs by adopting consistently applied methods that reflect a reasonable relationship for cost benefit; and
- demonstrate compliance with insurance, procurement, property management, and other requirements referenced in the subaward agreement.

A subrecipient's **program operations** must:

- include practices to ensure achievement of program quality and performance goals;
- demonstrate alignment with the program design component of the Request for Grant Applications and requirements governing the program;
- align with the policies, guidance, and directions issued to support program performance; and
- reflect appropriate program practices and procedures for priority of service, participant eligibility, assessment, planning, placement, and other terms and conditions of the subaward.

Subrecipients are also subject to audit requirements commonly referred to as “single audits” under the [Single Audit Act of 1984, as amended in 1996](#). The Single Audit Act standardizes the requirement for auditing if a subrecipient meets or exceeds the federal or state single audit thresholds during a fiscal year unless exempted by state law or governing federal authority. The federal single audit threshold is established by the United States government and the state single audit threshold is established by the State of Alaska.

3. Policy

Monitoring of subawards and review of single audits will be conducted each fiscal year by AWIB and DETS. AWIB/DETS will determine if an on-site or desk monitor will be conducted based on the monitoring requirements of the state or federal program, past performance of the subrecipient, and other factors. AWIB/DETS may waive on-site monitoring or may require supplementary monitoring if warranted.

To the extent practicable, monitoring will be:

- a) coordinated to complete a single on-site monitor of the subrecipient when more than one subaward was issued in a fiscal year;
- b) conducted to minimize on-site monitor disruption and time requirements placed upon the subrecipient's organization;
- c) conducted according to a standard financial and program monitoring guide for consistency; and
- d) timely, with a formal, written monitor report issued within 30 days of the monitor.

AWIB and DETS will assist the Alaska Department of Administration, Division of Finance by annually reviewing single audits to determine: the solvency of the subrecipient organization; whether findings of non-compliance, questioned costs, or inaccurate reporting of subaward amounts exist; and, if applicable, whether a corrective action plan is acceptable or the recapture of disallowed costs is warranted.