



Public Service Building

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May 11, 2012

Jana Kay Slater, Chair
Region 4 Workforce Investment Board
c/o Community Services Consortium
545 SW Second, Suite A
Corvallis, OR 97333

Dear Ms. Slater,

Attached please find the final monitoring report for the Workforce Investment Act Title 1B services provided in Region 4 during Program Years 2010 and 2011.

Please extend our thanks to staff for their work in preparing materials for our visit, and for their assistance during our review.

If you or staff have any questions, please contact me at 503.947.2433 or Karen Humelbaugh at 503.947.2404.

Sincerely,

Camille Preus
Commissioner

Enclosure



FINAL Monitoring Review Report

Program Year 2010 & 2011 (*July 1, 2010 – June 30, 2012*)

Region 4

To satisfy requirements for oversight and monitoring of Workforce Investment Act (WIA) Title I funds, the State of Oregon's Department of Community Colleges and Workforce Development's (CCWD) monitoring plan provides for on-site monitoring reviews of local workforce investment areas, subrecipients and contractors. The state's monitoring system ensures that program policies and outcomes meet the objectives and regulations of WIA, and determines if compliance with WIA requirements has been demonstrated. The on-site monitoring also allows for determination as to whether a local workforce investment area is making acceptable progress in addressing any deficiencies, and to ensure compliance with the nondiscrimination and equal opportunity requirements of the WIA. The monitoring review also addresses the local area's compliance with the Department of Labor's (DOL) uniform administrative requirements.

Staff from CCWD conducted its review of Region 4 at the Community Services Consortium (CSC) in Corvallis, OR on February 27th – 28th and on March 12th - 13th, 2012. The CCWD relied on work, responses and other information provided during CCWD's Program Year 2010 & 2011 monitoring conducted by Mark Neeley, Kyleen Stone, Michael McCoy, and Todd Nell.

This draft report cites the results of our tests of compliance and review of policies and processes, and includes one finding and no observations:

- *Findings: Findings are items or issues that are of significant concern or that indicate the violation of a guiding principle, regulation or rule. The monitoring team requested additional information beyond the initial review questions to determine whether the issue discovered was an abnormality of the review process or a valid violation.*
- *Observations: In the course of the review, the audit team discovered areas that raised some measure of concern. Such concerns may be easily alleviated, and the audit team made every effort to discuss solutions with the appropriate staff to minimize concern.*

Incentive Payment Finding:

Our sample of expenditures included three incentive payments to eligible clients whereby either the type of incentive program that the client was enrolled in and/or the amount paid to the client was not documented in CSC's "Incentive Payment Schedule." (Schedule) Therefore, we were unable to verify that the client had satisfied the criteria used to earn the incentive payment.

For example, one client was paid a \$35.00 bonus for achieving a certain level of positive behavioral and work skill indicators but the criteria used to determine the bonus

payment was not documented in the Schedule. In another example, a client was paid \$45.00 for achieving three different levels of personal accomplishments over a three-day period, but neither the program nor the criteria used to determine the payment amount was included in the Schedule.

CCWD recommended that CSC update any policies containing guidance on incentive payments to include the most current processes, procedures, and forms used by staff. All current payment programs and their criteria for payment should be documented in the Schedule. As the Schedule changes to include new programs and/or payment levels, an effective date for the change should be noted on the Schedule. If criteria used for payment includes client behavioral and/or work skill factors that result in qualifying for an incentive and/or bonus payment, these evaluation factors could be documented in the client's case file.

Resolution:

Management has revised their "Incentive Pay Schedule Master List" effective July 1, 2012. The list explains all incentive pay programs and describes in more detail the criteria for payment including additional bonus payments. Also, a document will be prepared for each participant program describing the incentive and bonus payments that can be earned. The form also includes a description of the program and participant requirements to complete the program. This form is signed and dated by the participant.

During CCWD's visit, twenty youth program-participant files and forty-two non-youth participant files (made up of adult, dislocated worker, SESP, and NEG participants) were tested for appropriate eligibility documents and plan information. The fiscal components of the review guide provided information and details that confirmed the fiscal system of expenditure authorization and record keeping are sufficient to provide reasonable accounting control over assets, liabilities, revenues, and expenditures in connection with those funds. Staff studied samples of payroll and cash disbursements, training, supportive services, incentives, OJT and work experience, tested the cost allocation plan, cash draws, cash account reconciliations, program income, quarterly reports, Youth Out-of-School expenditure levels, and examined the nonexpendable federal property inventory listing.

CSC will have 7 days from the date of the final report to prepare and submit a formal appeal to any findings. The appeal will be directed to the Commissioner, who will make the final decision.

Draft report:	March 15, 2012
Response to draft:	April 16, 2012
Final report:	May 11, 2012
Final appeal:	May 18, 2012
Commissioner's decision:	



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May 11, 2012

Frank Wall, Chair
Region 15 Workforce Investment Board
c/o Workforce Investment Council of Clackamas County
365 Warner Milne Road, Suite 202
Oregon City, Oregon 97045

Dear Mr. Wall,

Attached please find the final monitoring report for the Workforce Investment Act Title 1B services provided in Region 15 during Program Years 2010 and 2011.

Please extend our thanks to staff for their work in preparing materials for our visit, and for their assistance during our review.

If you or staff have any questions, please contact me at 503.947.2433 or Karen Humelbaugh at 503.947.2404.

Sincerely,

Camille Preus
Commissioner

Enclosure



FINAL Monitoring Review Report

Program Year 2010 & 2011 (*July 1, 2010 – June 30, 2012*)

Region 15

To satisfy requirements for oversight and monitoring of Workforce Investment Act (WIA) Title I funds, the State of Oregon's Department of Community Colleges and Workforce Development's (CCWD) monitoring plan provides for on-site monitoring reviews of local workforce investment areas, subrecipients and contractors. The state's monitoring system ensures that program policies and outcomes meet the objectives and regulations of WIA, and determines if compliance with WIA requirements has been demonstrated. The on-site monitoring also allows for determination as to whether a local workforce investment area is making acceptable progress in addressing any deficiencies, and to ensure compliance with the nondiscrimination and equal opportunity requirements of the WIA. The monitoring review also addresses the local area's compliance with the Department of Labor's (DOL) uniform administrative requirements.

Staff from CCWD conducted its review of Region 15 at Workforce Investment Council of Clackamas County, Inc.'s (WICCO) office in Oregon City, OR January 23 - 26, 2012. The CCWD relied on work, responses and other information provided during CCWD's Program Year 2010 & 2011 monitoring conducted by Mark Neeley, Todd Nell, and Michael McCoy. In addition, issues that were already being addressed as result of CCWD's August 2011 National Emergency Grant visit and US DOL's September 2011 NEG review are being tracked separately by CCWD.

This report cites the results of our tests of compliance and review of policies and processes, and includes, defined as:

- *Observations: In the course of the review, the audit team discovered areas that raised some measure of concern. Such concerns may be easily alleviated, and the audit team made every effort to discuss solutions with the appropriate staff to minimize concern.*
- *Findings: Findings are items or issues that are of significant concern or that indicate the violation of a guiding principle, regulation or rule. The monitoring team requested additional information beyond the initial review questions to determine whether the issue discovered was an abnormality of the review process or a valid violation.*

This report cites one finding concerning State Energy Sector Partnership (SESP) grant reported leveraged funds.

A finding is noted on the calculation of the leveraged amount by Clackamas Community College for the SESP Grant. In a review of the September 30, 2011 spreadsheet used by the college to calculate its leveraged amount, an error was found in the data values used to calculate the aggregate total leveraged amount. The effect of the error is to overstate

the leveraged amount. For the September 30, 2011 spreadsheet, the original leveraged amount reported was \$12,700. After correction for the data errors, the revised leveraged amount is \$8,969. After discussion with the college, they will submit corrected quarterly leverage amount reports for the recently submitted December 31, 2011 quarterly report as well as prior quarterly reports, as needed. After WICCO staff verified that the spreadsheets were correct, these reports were to be sent to Tom Cope, CCWD SESP Program Manager.

Resolution:

WICCO staff revised the leveraged reports for all affected quarters and submitted them to Tom Cope, CCWD SESP Program Manager.

During CCWD's visit, twenty youth, program participant files and fifty-two non-youth participant files (made up of adult, dislocated worker, NEG, & SESP participants) were tested for appropriate eligibility documents and plan information. The fiscal components of the review guide provided information and details which confirmed that the fiscal system of expenditure authorization and record keeping are sufficient to provide reasonable accounting control over assets, liabilities, revenues, and expenditures in connection with those funds. Staff studied samples of payroll and cash disbursements, training, supportive services, incentives, OJT and work experience, test cost allocation plans, cash draws, cash account reconciliations, program income, quarterly reports, Youth Out-of-School expenditure levels, and examined the nonexpendable federal property inventory listing.

WICCO will have 7 days from the date of the final report to prepare and submit a formal appeal to any findings. The appeal will be directed to the Commissioner, who will make the final decision.

Draft report:	January 26, 2012
Response to draft:	February 27, 2012
Final report:	May 11, 2012
Final appeal:	May 18, 2012
Commissioner's decision:	