

EASTERN WASHINGTON PARTNERSHIP

WORKFORCE DEVELOPMENT COUNCIL

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WDC Policy #: 110
Effective Date: 7/1/00
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SUBJECT Audit Resolution

PURPOSE

This policy establishes procedures under which the Workforce Development Council (WDC) resolves findings from audits. This policy is intended to assure compliance with the audit resolution requirements of the Workforce Innovation and Opportunity Act (WIOA) of 2014, Section 185(b)(3), and 2 CFR 200.25. This policy also establishes procedures to be followed in the event of discovery of waste, fraud or abuse, labor standards violations, and audit resolution appeals.

POLICY

A copy of all completed subrecipient audit reports covering WIOA Title I funds must be sent to the Workforce Development Council's administrative entity.

The administrative entity is responsible for its own audit and the audit of its subgrantees unless otherwise directed according to the terms and conditions of the grant or contract.

Where the recipient of funds is not a public entity (local government, municipality, etc.) an audit is preferred every year, but must be performed at least every two years.

AUDIT RESOLUTION—NONCRIMINAL STATE AND SUBRECIPIENT LEVEL

A. Timelines

Timely audits are mandated for all WIOA Title I funds. This mandate requires that audit resolution also take place in a timely manner. In keeping with this, the WDC grant recipient, and administrative entity and their subrecipients are subject to the 60-day time frame described below. All audit resolutions are subject to final approval by DOL.

As a result of an investigation, on-site visit or other monitoring, the administrative entity will notify the recipient of the findings of the investigation and gives the recipient a period of time (not more than 30 days) to comment, to agree to informal resolution and to take appropriate corrective actions.

The initial findings and determination (IF&D) will be sent to the to the auditee within 15 calendar days of the end of the auditee's comment period or receipt of the auditee's comments, but no later than 45 days after the mailing of the original cover letter.

The auditee will have 30 calendar days from the date of the IF&D for either an informal resolution meeting or response to the initial determination.

Within 15 calendar days after the end of the informal resolution period or completion of the informal resolution meeting, but no later than a total of 60 days, the final findings and determinations (FF&D) will be sent to the auditee. If a debt is established, the auditee shall be asked for cash repayment in 20 days and given the option to appeal within ten days after notice is given. Information regarding the appeal process shall be sent to the auditee at this time. A copy of the FF&D shall be sent to the state at this time also.

In instances where the 30-day informal resolution is not feasible, written request should be made by the auditee to extend the due date. However, the FF&D is still due within a 90-day period.

B. Allowability Capabilities

Those entities responsible for audit resolution of WIOA funds may allow subrecipient costs disallowed or questioned by an auditor, based on appropriate allowability criteria. However, all such allowances are subject to review and approval by the state and the DOL.

JOINT AUDIT RESOLUTION

The results of any audit resolution must be sent to the state at the address listed below for their review and concurrence. The state will also send the results to the DOL for their approval. In order to reduce the possibility that the state may overturn an audit resolution decision, the administrative entity which made the decision may want to involve the state in its audit resolution process with the auditee from the beginning.

This joint resolution process is not mandatory and is strictly an option to be considered. It is not intended to usurp the authority of the administrative entity or the subcontractor. Its only purpose is to allow the administrative entity, or others, to include the state in their audit resolution process from the beginning in order to reduce the possibility of an adverse ruling by the state and the DOL. The use of this joint audit resolution process is encouraged.

AUDIT RESOLUTION, NONCRIMINAL, FEDERAL LEVEL

The audit resolution process at the administrative entity level as described is also subject to review and approval by the Department of Labor (DOL).

AUDIT RESOLUTION, CRIMINAL—ALL LEVELS

Information and complaints involving criminal fraud, waste, abuse or other criminal activity must be reported immediately through the Department's Incident Reporting System to:

DOL Office of Inspector General
Office of Investigations, Room S5514
200 Constitution Avenue NW
Washington, D.C. 20210

or to the corresponding Regional Inspector General for Investigations, with a copy simultaneously provided to the Employment and Training Administration. The Hotline number is 1-800-347-3756. Complaints of a non-criminal nature are handled under the procedures set forth in Sec. 667.630 or through the Department's Incident Reporting System.

APPEAL

Any WDC subrecipient may appeal any final findings and determinations to the WDC. However, once the decision is made through this appeal process, this ends the WDC appeal process for use by its subrecipients. The WDC procedure for complaints and hearings must be followed and its remedies exhausted before an appeal is made to a higher level. This procedure covers complaints arising from investigations or monitoring reports in addition to actions taken by or on behalf of the WDC.

The WDC will advise the complainant of the status of the complaint at each step in the process. All resolutions, agreements, or actions affecting the status of the complaint will be confirmed in writing. The WDC will respond in writing to the complainant within ten working days of receiving a complaint. The WDC response to the complainant will describe the next steps in the process. If the complaint does not meet the criteria, the WDC response will explain the reasons. The WDC response will notify the complainant of the right to request information and guidance on how to file a complaint or request a review, waive or postpone a scheduled hearing in order to pursue an informal resolution, ask that a hearing be rescheduled with good reason, or withdraw the complaint at any time in the process. The WDC will propose in its first response to the complainant that an informal resolution be found.

All resolutions, agreements, or actions affecting a change in the status of a complaint will be confirmed in writing.

The WDC will schedule a hearing and notify, in writing, the complainant, respondent, and other parties involved, fifteen (15) calendar days before the hearing to permit adequate preparation of the case. The notice will include the date, time, and place of the hearing.

The WDC will provide a hearing within 60 days of receiving the complaint. An impartial hearings officer will conduct the hearing. Hearings officers will be individuals who have qualifications necessary to conduct proceedings which meet these requirements and to issue decisions which reflect WIOA, its regulations, and other applicable laws. No individual will hear

or decide on issues in cases in which he or she is an interested party. Hearings will cover only those issues listed in the hearing notice. Full and complete records will be kept of all hearing proceedings. All testimony will be recorded, and will be transcribed by a court reporter at the request of Rural Resources Community Action. Individuals have the right of counsel; however, the cost of legal counsel will not be paid by the WDC. All parties may present witnesses and evidence. Complainants may question witnesses or other parties. The burden of proof rests with complainants to demonstrate allegations are true and based on a preponderance of evidence. A written decision will be issued within sixty (60) days of the filing of the complaint—unless the right to a hearing has been waived—and will include (a) violations alleged by the complainant; (b) findings of fact; (c) conclusions of law; (d) a decision; (e) relief requirements and corrective actions; and (f) notice of the right to request state review and instructions on how to file that request. A copy of all decisions will be sent to the complainant, and to the Assistant Commissioner, Employment Security Department, Employment & Training Department.

State Level Hearing—Any aggrieved party with a timely complaint, alleged adverse action, or grievance against the State administrative office for WIOA, shall be provided a written description of the Employment and Training Division complaint procedures. The procedures include notification of the right to file a complaint and instructions on how to file.

State Level Hearing Procedures—Upon receipt of a complaint, alleged adverse action or grievance, the Employment and Training Division will notify the Office of Administrative Hearings to conduct a hearing. Notice of the hearing will be provided to all interested parties. The notice will include: 1) the time, date, and place of the hearing; 2) the name, address, and telephone number of the person to notify in the event it is not possible for the party or its legal counsel to attend the hearing; 3) the hearing procedures and a statement of the issues; and 4) an explanation that the party or its legal counsel may examine the case file prior to the hearing.

State Level Decision by the Office of Administrative Hearings—A written decision will be issued to the interested parties within the state-specified number of days of the filing of the request for a hearing.

Review of State Level Decision—When a request for review is made of a state level decision, reviewing officer of the Employment Security Department will conduct the review. A request for such review must be directed to the reviewing officer within a state-specified number of days of the issuance of the decision by the Office of Administrative Hearings. The review will be of the record prepared by the Office of Administrative Hearings and will result in a decision either affirming, modifying, or reversing the decision of the administrative law judge. If the record is incomplete or otherwise provides insufficient information upon which to base a decision, the reviewing officer may remand the matter to the Office of Administrative Hearings for the taking of further evidence and issuance of a new decision. The decision of the reviewing officer is a final state action subject to review under RCW 34.05.570.

All audit correspondences shall be maintained to provide an adequate audit trail regarding the decisions made during the audit resolution and appeal process. These records shall be kept for three years after the closure of the audit file by the Department of Labor.

CLOSURE OF AUDIT FILE

An audit is considered closed when all administrative findings have been remedied and any debt that may have been established has been settled.

AUDIT RESOLUTION CORRESPONDENCE

A copy of all correspondence regarding audit resolution shall be submitted to:

Rod Van Alyne, Executive Director
Eastern Washington Partnership
956 S. Main
Colville, WA 99114