



OKLAHOMA WORKFORCE DEVELOPMENT ISSUANCE # 09-2013

TO: WIA Board Chair
WIA Board Staff
WIA Fiscal Agents

FROM: Deidre Myers, Deputy Director
Office of Economic and Workforce Policy

DATE: July 31, 2013

SUBJECT: WIA Internal Control and Cash Management Review Policy

RESCISSIONS: This issuance rescinds OETI #06-2005

CATEGORY: Policy category A

PURPOSE: This policy is being re-released for the purpose of reissuing under the Oklahoma Department of Commerce (ODOC) policy naming convention and as reference to the rescission and update of OESC OETI #06-2005 issued on April 4, 2005. This policy does not change any previous guidance or content related to the Grant Review Policy.

MESSAGE: In order to comply with OIG recommendations, ODOC employs an internal control and cash management review to identify grantees that may have a higher risk of potential deficiencies. This includes the awarding of a grant to a recipient that has little or no prior workforce program experience. In these situations, ODOC either performs a pre-award financial review or conducts an on-site evaluation of the grantee within 120 days after the contract has been awarded.

When such a grantee is identified, the following process is conducted to ensure the grantee is capable of effectively administering the grant and can adhere to the requirements of all Federal, State and local guidelines.

ODOC Workforce Services staff makes this determination through either a pre-award review or a post award monitoring session based on the following:

- Is proper documentation available to verify that the grantee is financially solvent?
- Does the grantee maintain an adequate financial management system in accordance with 29 CFR 95 and 29 CFR 97?
- Is there a current cost allocation plan that meets the requirements of the OMB circulars?

ODOC grant recipients must also implement a similar system to effectively and timely review higher risk subrecipients including all new subrecipients. This review must be conducted prior to

the award or within 120 days after the contract has been awarded. ODOC monitoring teams will verify that these policies are in place during the annual monitoring review or as needed - based on evidence of a potential issue.

ACTION REQUIRED: Grantees must develop a policy that is consistent with the applicable rules. The lack of appropriate policies, procedures and systems could result in findings and disallowed costs. Copies must be distributed to appropriate staff and subcontractors. A copy of this issuance must be maintained as a part of your permanent file.

NOTE: ODOC issued guidance is subject to change pending new U.S. Department of Labor (DOL) regulation, OMB Circular revisions, audit requirements, or internal determinations for efficiencies and effectiveness to program delivery and stewardship of federal funds.

INQUIRIES: Questions regarding this issuance should be addressed to Tina Lindsay at Tina_Lindsay@OKCommerce.gov or (405) 815-5137.