

Risk Assessment and Corrective Action Policy #P-23-4.22

Date: August 10, 2022
Re: Risk Assessment & Corrective Action Policy and Procedures

Approved: May 12, 2022
Effective: May 12, 2022

References: WIOA Sec. 183
20 CFR Part 683.410
2 CFR Part 200
Workforce System Policy (WSP) No. 183.01

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Attachments: Corrective Action Standard Operating Procedure
Risk Assessment Monitoring Report

I. Purpose

- A. The Workforce Innovation and Opportunity Act (WIOA) requires a system of accountability measures to ensure optimal return on Federal funds invested in programs and activities administered by local workforce development areas (LWDAs). SCPa Works contracts service providers who are mandated to maintain continuous compliance with Title I programmatic and fiscal system requirements.
- B. This policy, partnered with the SCPa Works Oversight and Monitoring Policy #P-5-4.22, ensures that Title I service delivery and administration elements are systematically and regularly monitored by the SCPa Works Compliance Department based on a twelve-month monitoring schedule influenced by the Pennsylvania Department of Labor and Industry data collection and reporting requirements, SCPa Works policy #P-5-4.22, and the following corrective action measures constituted to minimize and eliminate the occurrence of risk across the SCPa Works eight-county service area.

II. Background

- A. SCPa Works incorporates a risk-assessment approach as a part of an ongoing oversight plan through the approval and implementation of the SCPa Works Oversight and Monitoring Policy #P-5-4.22 that continuously requires the administration of standardized reviews, audits, and monitoring procedures of the activities carried out by contracted providers within the designated service area.
- B. Based on compliance with local, State, and Federal WIOA guidance concerning Title I oversight and monitoring, reviews are conducted on an ongoing basis and include risk assessments to ensure this compliance.
- C. SCPa Works manages the oversight and monitoring of workforce administration, funds, programs, and activities that encompass Title I Adult, Dislocated Worker, Youth, One-Stop, Business Services, Eligible Training Providers, and Fiscal operations programming.

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III. Risk Assessment Identification

- A. SCPa Works adheres to a stringent monitoring and review schedule of all Title I subrecipients and service delivery as instructed in policy #P-5-4.22, enabling the SCPa Works Compliance Department to identify and assess Title I programmatic, fiscal, and one-stop discrepancies within the business operations of contracted Title I service providers.
- B. Prior to scheduled, onsite reviews, SCPa Works will inform subrecipients of:
 - 1. The purpose of the monitoring;
 - 2. The timeframe of the selected information to be monitored;
 - 3. Content and materials to be monitored;
 - 4. The location of the monitoring;
 - 5. Proposed dates of the monitoring review; and
 - 6. A request to confirm proposed dates of the monitoring review.
- C. During onsite reviews, the following elements will be monitored to identify risk:
 - 1. Agency administration;
 - 2. Program performance;
 - 3. Participant files;
 - 4. Training materials and services;
 - 5. Written processes, forms, and standard operating procedures;
 - 6. Equal Employment and Nondiscrimination; and
 - 7. Worksite/internship/externship monitoring where applicable.
- D. SCPa Works will review participant records stored in CWDS to assess risk within the following elements:
 - 1. Thoroughness of information entered into the system;
 - 2. Detailed case notes;
 - 3. Documents uploaded into the system;
 - 4. Data reports pertaining to program activity;
 - 5. Performance of program outcomes; and
 - 6. Policies and Standard Operating Procedures.
- E. A focused interest will be applied to contract(s) that pose the highest number of risks, have a history of frequented or repeated risks, and/or have exhibited risks that were identified and documented outside of the standard monitoring procedures.
 - 1. SCPa Works will utilize staff interviews to assess risk within the following categories:
 - a. Professionalism of staff serving Title I participants;
 - b. Knowledge of program staff in providing career guidance and services provided;
 - c. Knowledge of program staff in Title I administrative process and procedures; and
 - d. Knowledge of program staff in WIOA policies.
- F. Identify Future Monitoring Frequency:
 - 1. Based on the findings and data collection contained within a comprehensive monitoring report, subrecipients who have exhibited activities resulting in risk will be subject to an interim monitoring schedule determined by the SCPa Works Policy & Compliance Departments.
 - a. A timeline will be provided to indicate scheduled monitoring events.
 - b. All contractors under risk assessment protocol will be subject to unscheduled, unannounced monitoring events during the corrective action period, as defined below.

IV. Corrective Action Identification

- A. SCPa Works identifies risk within Title I service administration and operations through the astute act of conducting data reviews and producing results that comprehensively inform the frequency and manner in which risk is identified, assessed, and resolved.
- B. Corrective action will be taken when a contracted subrecipient fails to meet compliance or performance in any of the following areas:

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1. Disallowed costs;
2. Missing program and/or contractual requirements;
3. Breach of PII;
4. Operating outside the perimeters of WIOA Federal, State, and local regulatory compliance;
5. Fiscal integrity to include invoicing, record keeping, documentation, and reporting;
6. Operational compliance;
7. Personnel and staffing requirements;
8. Breach of contractual agreements with any or all workforce partners and ETPs;
9. Mismanagement of contract(s);
10. All aspects of physical record file management and CWDS data entry accuracy;
11. All aspects of WIOA Title I enrollment and eligibility requirements;
12. Any additional components, elements, aspects, and/or activities surrounding subrecipient accountability across WIOA-funded initiatives and programming.

V. Corrective Action Procedures

- A. All points of risk identified within the operations and administration of contracted service provider activities, and documented during a monitoring procedure, will be subject to one or more of the following elements strictly enforced by SCPa Works:
1. **LEVEL 1; Requirement for Technical Assistance:** The SCPa Works Compliance Department identifies the finding, determines the finding to pose a risk, and recommends the provision of technical assistance or additional guidance when a deficiency or discrepancy results in a finding due to inadequate information or training.
 - a. The compliance officer will determine the need for technical assistance and include the necessity in the final, comprehensive monitoring report submitted to the Programs Department.
 - b. The compliance officer will refer the finding(s) to include the comprehensive monitoring report to the SCPa Works policy manager.
 - i. The policy manager will schedule an educational or training session with the service provider who has indicated risk.
 - ii. The service provider will have 10 days to response to the correspondence and formally schedule the training with policy manager.
 - c. The education or training session led by the SCPa Works policy manager will take place within 30 days of the date of the recorded finding(s) and include an action plan to which the service provider will adhere.
 - i. The education or training elements may also be incorporated into or added to an SCPa Works Quarterly Policy Training session to serve as the corrective action required to resolve and eliminate the specified risk.
 - d. All elements included in the corrective action plan, developed by the policy manager in collaboration with the Programs and Compliance Departments, will be recorded and tracked using the shared SCPa Works Corrective Action Log, maintained by the policy manager.
 - e. Follow-up monitoring on the specified risk element will be implemented by the compliance officer and take place once every 30 days across a 180-day (sixth-month) period from the date of the completed education or training session provided by the policy manager.
 - i. All follow-up initiatives and results will be collectively recorded and tracked by the policy manager on the SCPa Works Corrective Action Log.
 2. **LEVEL 2; Requirement for Internal Policy/Procedural Changes:** The SCPa Works Compliance Department will identify a finding as habitual or repetitive due to the lack of a process, a non-effective procedure, or poorly structured leadership within the subrecipient

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organization, and will recommend procedural changes to result in improved and acceptable performance.

- a. The SCPa Works Compliance Department will determine that the contracted service provider must create improved standard operating procedures (SOPs) to account for the identified risk, and the Compliance Department will include this necessity in the final, comprehensive monitoring report.
- b. The Compliance Department will submit the monitoring report to the policy manager for corrective action plan development and implementation.
- c. All elements included in the corrective action plan, developed by the policy manager in collaboration with the Programs and Compliance Departments, will be recorded and tracked using the SCPa Works Corrective Action Log.
- d. The policy manager will detail the corrective action plan via written correspondence to the subrecipient.
 - i. The subrecipient will have 10 days to respond to the request for corrective action.
- e. The subrecipient will be given 30 days from the day of the compliance officer's monitoring review to submit a plan for a new or improved standard operating procedure (SOP) for approval to the policy manager.
 - i. The new or improved SOP must include an action plan indicating the following points of interest to be reviewed for a 180-day (sixth month) period:
 - Anticipated project timeline
 - Titles of the designated staff members who will carry out tasks during the SOP development and implementation periods
 - Titles of the staff members who will be accountable for the oversight and monitoring of the new or improved SOP.
 - A detailed plan to introduce the new or improved SOP to the subrecipient organization as a whole.
 - A method of tracking organizational improvements directly related to the new or improved SOP.
 - Title of the point-of-contact staff member who will regularly communicate project progress, setbacks, and accomplishments through scheduled meetings, phone calls, and email correspondence with the SCPa Works policy manager.
 - ii. The policy manager will collaborate with the Programs and Compliance Departments on plan revisions, suggestions, and ultimate SCPa Works approval.
- f. Follow-up monitoring on the specified risk element will take place by the compliance officer once every 30 days across a sixth-month period from the date of SCPa Works approval on the new SOP.
 - i. All follow-up results will be recorded and tracked by the compliance officer and the policy manager on the SCPa Works Corrective Action Log.

3. **LEVEL 3; Requirement for Formal Corrective Action & Monitoring:** The SCPa Works Compliance and Policy Departments will identify findings as severe due to the subrecipient's action or non-action having resulted in the loss of funds, and/or effecting overall program outcome, and will recommend the creation of a formal corrective action plan to address programmatic short-comings and discrepancies over a period of time that extends beyond the standard 180-day follow-up period.

- a. Contracted Title I service providers within the SCPa Works service area that pose a large volume of documented risks, frequented or repeated risks, and/or risks identified

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outside of standard monitoring procedures that have resulted in monetary losses or a reduction in program targets will be subject to Formal Corrective Action.

- b. Formal Corrective Action will prompt a special meeting comprised of the SCPa Works Programs Department, Compliance Department, Policy Department, the Chief Operating Officer, and the Fiscal Department if necessary.
- c. Formal Corrective Action requirements will be unique to the risk assessment, the findings, the compliance reports, and the overall performance history of the contracted service provider.
- d. The Formal Corrective Action will be authored and issued by the Policy Manager, and based on unanimous decisions of all departments involved.
- e. The basic and necessary purpose of a Formal Corrective Action is to ensure that the contracted service provider is receiving all components of training, education, and technical assistance from the LWDB, and to permanently resolve and correct all programmatic discrepancies.

VI. Definitions

Finding: A finding is any violation of: Law; Regulations; Office of Management and Budget Guidance; Award Agreement; Formal Policy and other. Findings always require a corrective action. There may be situations where a Finding/Corrective Action can be corrected at the time of identification; however, it will still be noted as a Finding/Corrective Action in the program review outcome. Examples leading to a Finding/Corrective Action include, but are not limited to:

- a) Inaccurate or Incomplete eligibility determinations;
- b) Application signed after Date of Participation (first enrollment into a WIOA Activity);
- c) Services, as documented in case notes, were provided prior to the eligibility date;
- d) Inaccurate or incomplete verification and file documentation of any required field used to determine eligibility;
- e) Missing, incomplete, outdated, and/or unsigned College and Career Blueprint (CCB); f) Failure to include documentation regarding coordination of occupational training with FASFA or PELL Grant Awards;
- g) Assessments not documented in hard copy file or in case notes;
- h) Failure to justify expenditures for Supportive Services or other Needs-Related Payments;
- i) More than 90 days of no services has occurred;
- j) Failure to provide hard copy documentation of credential; and/or k) Failure to follow City policies in the development of documents related to training services (OTAs, Work Experience, Basic Skills Training, Job Search activities).

Risk: A risk is any potential violation of: Law; Regulations; Office of Management and Budget Guidance; Award Agreement; Formal Policy and other. Questionable operational or business practices could also warrant an Observation. Examples leading to an Observation include, but are not limited to:

- a) Demographics and/or documentation not in alignment with the entire program record; and/or
- b) Missing signature on participant's Social Security Card.

Subrecipient or subcontractor: Per Uniform Guidance, 200.330, a Non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program. Characteristics which support the classification of an entity as a subrecipient include when the entity:

- a) Determines who is eligible to receive what Federal assistance;
- b) Has its performance measured in relation to whether objectives of a Federal program were met;
- c) Has responsibility for programmatic decision making;
- d) Has responsibility for adherence to applicable Federal program requirements specified in the award; and

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- e) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute.

VII. Summary of Changes: This policy is reviewed annually by the SCPa Works Policy Department for necessary changes, edits, updates, and revisions.

Date of Change:	Changed by:	Summary of Change(s):	Effective Date
08/10/2022	Saranne Miller 	1. Removed form ID numbers.	08/10/2022