Risk Assessment
Policy #P-23-4.22

Re: Risk Assessment Policy and Procedures

Originated: April 11, 2022
Approved: May 12, 2022
Reviewed for Updates   March 14, 2025
Revision Approved: May 1, 2025

References: Workforce System Policy (WSP) No. 183-01(Change 1)
                         Workforce Innovation & Opportunity Act (WIOA) Sec. 183
                         20 CFR Part 683.410
                         2 CFR Part 200

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Attachments: SCPa Works Risk Assessment Worksheet

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.

III. Risk Assessment Identification

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A. SCPa Works adheres to a stringent monitoring and review schedule of all Title I subrecipients and service delivery 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.

    1. All monitoring and oversight is conducted in adherence to the SCPa Works Oversight and Monitoring Policy #P-5-3.22 and its corresponding SCPa Works Program Year Monitoring Schedule which includes a Monitoring Plan that indicates all Title I vendors in the SCPa Works eight-county service area are assessed for risk generally in January and June of each program year. Risk is assessed prior to the the signing of contracts

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. Risk Assessment

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A. 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:

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

B. SCPa Works incorporates a risk-assessment approach as a part of an oversight plan. Risk assessment results inform the frequency and manner in which oversight will take place. The SCPa Works risk assessment plan includes the following:

1. Assess Risks. Consider contract(s) that involve the most risks that may practices that lead to adverse consequences.
2. Identify frequency in which to monitor sub-recipients. SCPa Works considers the level of vulnerability of a contractor's compliance with programmatic and fiscal system requirements when practices are not systematically and regularly monitored.
3. Identify the factors used to assess risk. SCPa Works administers risk assessments based on the risk-related questions listed in ATTACHMENT I of this policy, the SCPa Works Risk Assessment Worksheet.

C. Per Uniform Guidance, 200.330, a Subrecipient, Subcontractor, Vendor, or Service Provider is 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:

1. Determines who is eligible to receive what Federal assistance;
2. Has its performance measured in relation to whether objectives of a Federal program were met;
3. Has responsibility for programmatic decision making;
4. Has responsibility for adherence to applicable Federal program requirements specified in the award; and
5. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute.

V. **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
03/07/205	Saranne Miller	1. Removed "Corrective Action Standard Operating Procedure" from Attachments due to removing corrective action from the policy and adding the section to the Oversight and Monitoring policy. 2. Removed Corrective Action from the title to reflect the removal of corrective action narrative from the policy and adding it to the Oversight and Monitoring policy. 3. Removed Sections IV & V (corrective action procedure) to reflect focus on the Risk Assessment Worksheet and	05/01/2025

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		transferred the corrective action sections to the Oversight and Monitoring policy to enhance relevancy.	
		4. Added a new Section IV to reflect the implementation and use of the SCPa Works Risk Assessment Worksheet, and to reiterate the relevancy of the questions listed on the Worksheet.	
		5. Added the Risk Assessment Worksheet as Attachment I in adherence with Workforce System Policy (WSP) 138-01 Change 1.	

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Risk Assessment Worksheet

Reviewed By: Click or tap here to enter text.   Today's Date: Click or tap to enter a date.

Reviewer's Position with SCPa Works: Click or tap here to enter text.

Program Year: Click or tap here to enter text.   Program Year Quarter: Click or tap here to enter text.

Type of Contract: CHOOSE AN ITEM   Last Review Conducted: Click or tap to enter a date.

Service Provider Company Name: Click or tap here to enter text.

Service Provider Fiscal Contact Name: Click or tap here to enter text.

Service Provider Fiscal Contact Phone: Click or tap here to enter text.

Service Provider Fiscal Contact Email: Click or tap here to enter text.

This Risk Assessment Worksheet aligns with Workforce System Policy (WSP) No. 183-01 (Change 1) as published April 15, 2019, and reflective of the Workforce Innovation and Opportunity Act (WIOA) pgs. 113-128, 20 CFR, 2 CFR, and the U.S. Department of Labor4 Core Monitoring Guide and the Core Monitoring Guide Financial Supplement. In addition, all polices, procedures, and programmatic, administrative, and fiscal reviews are subject to the parameters as set forth in Training Employment guidance Letter (TEGL) 39-11, Guidance on Handling and Protection of Personally Identifiable Information (PII).

In adherence to the SCPa Works Oversight and Monitoring Policy #P-5-3.22 and its corresponding SCPa Works Program Year Monitoring Schedule which includes a Monitoring Plan that indicates all vendors in the SCPa Works eight-county service area are assessed for risk in January and June of each program year.

Risk Category Definitions and Requirements:

High Risk: 31+ Points
1. Mandatory quarterly conference calls with SCPa Works Compliance or Programs staff in relation to progress and achievement of corrective action plan tasks and changes in administration;
2. Submission of additional content, policies, standard operating procedures, and documentation related to overall risk;
3. Access to additional monitoring activities and materials if necessary;
4. Mandatory attendance during policy training and technical assistance of program-related matters as needed;
5. Proof of corrective action implementation during a scheduled meeting with the SCPa Works Compliance or Programs team; and
6. If deemed necessary, additional provisions to terms of conditions as defined by SCPa Works.

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Medium-Risk: 11 – 30 Points

1. Acknowledgement of SCPa Works corrective action request and implementation to reduce or minimize risk;
2. Mandatory attendance during policy training and technical assistance on program matters as needed; and
3. Proof of corrective action implementation during a scheduled meeting with the SCPa Works Compliance or Programs team.

Low Risk: 1 – 10 Points

1. No additional actions required

Timeline: Risk assessments will be completed during the pre-award phase, prior to NOO issuance, and at a mid-program year point of the contract timeline.

The following Risk Factors scorecard and questionnaire are based on Appendix C, Local Area Risk-Assessment Protocol and Local Area Risk-Assessment Standards, and Appendix D, Sub-Recipient Oversight Responsibilities, Sample Scoring System for Risk Assessment, as published alongside Workforce System Policy (WSP) No. 183-01 (Change 1) by the Pennsylvania Department of Labor & Industry.

A Service Provider, Vendor, or Sub-Recipient is a non-federal entity that receives a sub-award to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A sub-recipient may also be a recipient of other federal awards directly from a federal awarding agency. For example, local workforce development boards are subrecipients.

Risk Factors (*Note: N/A = 0 points*)	Score	Comments
1. Is the Service Provider new to operating or managing state or federal funds, or has not done so within the past 5 years?	0	
10 points = New to program for this entity; managed other state or federal awards 5 points = Prior experience with program, but managed for less than 3 years 0 points = Prior experience with same award		
2. Does the Service Provider have prior experience with the same or similar sub-awards?	0	
10 points = New to program for this entity; managed other state or federal awards 5 points = Prior experience with program, but managed for less than 3 years 0 points = Prior experience with same award		

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3. Has the Service Provider received findings directly from a Federal awarding agency?	0	
20 points = More than 1 instance of non-compliance 10 points = A single instance of non-compliance 0 points = Full compliance		
4. Has this Service Provider received previous findings to include unallowed costs as listed in 20 CFR 200, Subpart E that resulted in the issuance and implementation of corrective action plans?	0	
20 points = 10 or more previous findings 10 points = 5 or more previous findings 0 points = 0 previous findings		
5. Does the Service Provider lack effective operational and fiscal procedures and controls?	0	
20 points = 1 to 9 standard operating procedures in place 10 points = 10 or more standard operating procedures in place 0 points = All elements of programmatic, operational, and fiscal operations relate to corresponding standard operating procedures		
6. Does the Service Provider have new personnel or new or substantially changed systems?	0	
15 points = Extensive change 8 points = Some change 0 points = Little to no change		
7. Does the Service Provider have a history of oversight/monitoring findings since the beginning of the current contract in place?	0	
20 points = More than 1 instance of non-compliance 10 points = A single instance of non-compliance 0 points = Full compliance		
8. What is the extent of the most recent Single Audit?	0	
10 points = Substantial oversight findings occurred within the past 2 years. 5 points = Some oversight findings occurred within past 2 years		

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0 points = No oversight findings occurred in the past 2 years		
9. Has this Service Provider received complains or have a record of incident reports on file?	0	
10 points = Substantial complaint/incidents since contract start 5 points = Some complaint/incidents since contract start 0 points = No complaint/incidents since contract start		
10. What is the Service Provider's share of the local area's allocation? (View total budget and list % above)	0	List Percentage -
10 points = More than 25% of local board's allocation 5 points = 10-25% of local board's allocation 0 points = Less than 10% of local board's all		
11. What is the size of the Budget/Contract award amount? (View Contract and list above)	0	List Contract Amount -
15 points = Large budget (500,000 or more) 8 points = Medium budget (300,000-499,999) 0 points = Small budget (Less than 300,000)		
12. What is the number of participants to be served? (View Contract and list above)	0	List # Served -
10 points = Large number to be served (Greater than 200) 5 points = Moderate number to be served (75-199) 0 points = Small number to be served (Less than 75)		
TOTAL SCORE		(Manually calculate and enter total.)

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