



RISK ASSESSMENT POLICY

I. PURPOSE:

The Workforce Innovation and Opportunity Act (WIOA) requires a system of accountability to ensure an optimum return on federal funds invested in programs and activities administered by local workforce development areas (LWDAs). Monitoring reviews are to be conducted on an ongoing basis and should include risk assessments to ensure compliance with Workforce Innovation and Opportunity Act (WIOA) Section 183; 20 CFR Part 683.410; and 2 CFR Part 200. As part of this responsibility and per the state's Workforce System Policy (WSP) No. 183-01, Oversight and Monitoring, local workforce development boards are required to incorporate a risk-assessment approach as a part of their oversight plan. Risk assessment results must inform the frequency and manner in which oversight will take place.

II. REFERENCES:

- WIOA SECTION 183
- 20 CFR 683.410
- 2 CFR Part 200

III. BACKGROUND:

Non-federal entities receiving federal workforce funds shall provide oversight of workforce programs, administration, activities and funds. WIOA requires that, at a minimum, subrecipient/provider program and fiscal oversight activities are conducted. Workforce Solutions shall provide oversight of all workforce programs and activities associated with funds allocated by the PA Department of Labor and Industry.

IV. DEFINITIONS:

Oversight: is a requirement of any recipient of federal and state funds to ensure that such funds comply with all applicable federal, state and local statutes, regulations, policies and the terms and conditions of any applicable awards or sub-awards.

V. POLICY:

Workforce Solutions for North Central PA's risk assessment plan will include the following:

Assessing the risks. Consideration will be given to which contract(s) involve the most risks that may expose Workforce Solutions for North Central PA to adverse consequences.

Identifying the frequency in which to monitor subrecipients. Consideration will be given to the level of vulnerability to the local area or Workforce Solutions for North Central PA if the contractor's compliance with programmatic and fiscal system requirements is not systematically and regularly monitored.

Identifying the factors used to assess risk. At a minimum, the following will be answered and evaluated:

- Is the service provider new to operating or managing state or federal funds, or has not done so within the past five years?
- Whether the subrecipient has new personnel or new or substantially changed systems;
- The extent and results of federal awarding agency monitoring (e.g., if the subrecipient also receives federal awards directly from a federal awarding agency);
- Does the provider lack effective operational and fiscal procedures and controls?
- The results of previous audits including whether the subrecipient receives a Single Audit in accordance with 2 CFR 200, Subpart F – *Audit Requirements* of this part, and the extent to which the same or similar subaward has been audited as a major program; and
- What is the contractor's share of the local area's allocation?

Workforce Solutions for North Central PA will include any additional steps, risk factors, and questions deemed necessary to ensure a comprehensive risk-assessment methodology.

Projecting the risk. Workforce Solutions for North Central PA will assign well-defined, supported point values to the scoring system. The numerical ratings will be used to determine the overall risk associated with, and how often to monitor, each subrecipient. Workforce Solutions for North Central PA will classify service providers as high risk, medium risk, or low risk.

The scoring system for service provider risk assessment includes:

- 1) Does the provider have prior experience with the same or similar contract?**
 - a. 10 points = New program for this entity
 - b. 0 points = Prior experience with same award

- 2) Does the provider have new personnel or new or substantially changed system?**
 - a. 15 points = Extensive change
 - b. 0 points = Little or no change

- 3) Does the provider have a significant history of oversight/monitoring findings?**
 - a. 25 points = More than one instance of serious non-compliance
 - b. 0 points = Full compliance

- 4) Does the provider lack effective operational and fiscal procedures and controls?**
 - a. 20 points = More than one instance of noncompliance
 - b. 0 points = Full compliance

- 5) What is the extent of recent single audit?**
 - a. 15 points = Substantial oversight findings occurred within past 2 years
 - b. 0 points = No oversight findings occurred in the past 2 years

- 6) What is the contractor's share of the local area's allocation?**
 - a. 15 points = More than 25% of the local board's allocation
 - b. 0 points = Less than 10% of the local board's allocation

The following are the categories/levels of risk:

High Risk: Score of 67 - 100

Medium Risk: Score of 34 - 66

Low Risk: Score of 0 - 33

Workforce Solutions for North Central PA staff will provide quality technical assistance to contractors in enhancing program performance and accountability. If deficiencies or concerns have been identified, it will be necessary to work closely with the contractor in correcting these issues.

VI. RECISIONS:

None.

VII. EXPIRATION:

Ongoing.

VIII. INQUIRIES:

Questions shall be directed to:

Pamela Streich, Executive Director at pstreich@ncwdb.org; or

Donna Hottel, Strategic Planning and Project Manager at dhottel@ncwdb.org

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IX. POLICY HISTORY:

Name	Date	Description of change	Effective Date
Pam Streich	11/22/2023	Format	07/01/2023

Auxiliary aids and services are available upon request to individuals with disabilities.

Equal Opportunity Employer / Program