

ARKANSAS PERFORMANCE ACCOUNTABILITY POLICY

- I. **Purpose:** The purpose of this policy is to establish a comprehensive performance accountability system. The provisions in this policy are intended to hold Local Workforce Investment Boards (LWIB) accountable for the results obtained by their workforce investment programs and systems. The policy is also intended to assess the effectiveness of workforce investment Activities and promote continuous improvement.

- II. **General Information:** This policy is written in accordance with guidelines in the Workforce Investment Act (WIA or the ACT) and Regulations as well as requirements outlined by the Arkansas Workforce Investment Board. Provisions in the Act indicate that the grant recipient (Governor) is responsible for all funds granted to the State. In turn the Governor holds Local Boards and Chief Elected Officials (CEO) responsible for all WIA funds that they receive which includes performance accountability and appropriate expenditure of funds. The Governor is also responsible for ensuring appropriate monitoring and oversight of compliance with WIA requirements as well as other applicable Federal and state laws and policies.

The Arkansas Employment Security Department (AESD) and the Arkansas Workforce Investment Board (AWIB) and its staff act on behalf of the Governor for all WIA activities. The AESD serves as the administrative entity responsible for implementing employment and training activities, monitoring and oversight and capturing performance data associated with Title IB of the Act using Federal and/or State developed review guides and performance requirements. This responsibility also includes, but is not limited to, conducting continuous desk reviews, capturing and reviewing performance data and conducting on-site monitoring reviews on a regularly scheduled basis (at least once annually).

- III. **Review Implementation:** The AESD is responsible for conducting programmatic, financial, EEO and ADA monitoring reviews to ensure that administrative policies, practices, standards and systems are operating within established Federal and state legislation, regulations and policy directives.

Each monitoring review will result in a formal report which will include all violations along with the corresponding citations. The report will be distributed to the appropriate Local Workforce Investment Board (LWIB), Chair, Administrative Entity, Chief Elected Official (CEO) and the AWIB Executive Director.

Specific activities that are subject to monitoring reviews will include, but are not limited to activities included in the Arkansas WIA Title IB Monitoring Instrument (Programmatic and Fiscal).

- IV. **Corrective Action:** Findings that require corrective actions will be reviewed and recommendations to AESD will be made for consideration. Prior to making recommendations to the AWIB, AESD may request additional information from the LWIB or conduct a meeting with appropriate officials to ascertain all pertinent facts regarding any find(s). Local WIB representatives may request a meeting for the purpose of providing pertinent information.

If it is determined that corrective action is necessary, the State staff will make a request of the LWIB to submit a Corrective Action Plan (CAP). The CAP must be signed and submitted by the LWIB Chairperson within fourteen days of receipt of the request. Copies will be provided to the LWIB Administrative staff, CEO and AWIB Executive Director.

The CAP shall include, at a minimum:

- A. An assessment of the current situation, including a review of action that has already been taken to address the problem
- B. A plan which describes, in detail, the action which will be taken to correct the problem
- C. A timetable for the action that identifies what steps will be taken through a specified time period, benchmarking dates by which certain levels of progress will be accomplished

The AESD will review each CAP and make recommendations to the AWIB for approval or disapproval. Upon approval, the AWIB will determine if the LWIB will be required to submit written progress reports as well as the frequency of such reports. When required, each progress report shall describe the progress of the action taken, attainment or non-attainment of benchmarks and any necessary revision of the plan.

The progress of each CAP will be reported to the AWIB by AESD. In the event of failure or non-implementation of corrective action plans, the AWIB may apply sanctions to the LWIB.

- V. **Follow-up:** A follow-up review will be conducted to ascertain if corrective action was implemented and/or to provide technical assistance. If it is determined that noncompliance still exists, the AWIB shall impose sanctions as described in Section VII of this document.
- VI. **Findings and Management Concerns:** Specific findings which may result in the imposition of sanctions are outlined below. The example list of findings is not all-inclusive. Findings may fall into the following major categories: administrative, fiscal, program and performance standards and local monitoring requirements. Management concerns are not necessarily non-compliance related. However, they are issues that, if not addressed, may lead to non-compliance. Such concerns will be provided as part of the official monitoring report and do require responses and corrective actions.

Administrative Findings:

- A. Noncompliance with local board membership requirement
- B. Noncompliance with youth council requirement
- C. Non-submission of accurate financial, program data collection or other reports by established due dates
- D. Inadequate local/internal monitoring system
- E. Lack of input and maintenance of current data into the State's information system (current data is defined as information entered as the activity occurs)
- F. Noncompliance with local plan update requirement
- G. Non-responsiveness to cited deficiencies within allowable timeframes in accordance with AWIB's request for corrective action
- H. Noncompliance with all Federal, state and local policies including EEO and ADA requirements
- I. Using Federal funds for disallowed activities/services
- J. Lack of cooperation and coordination with mandated partners within the one-stop system
- K. Failure to solicit, approve and manage the eligible provider process

Fiscal Findings:

- A. Noncompliance with minimum cash balance requirements
- B. Inadequate cash management or cost controls
- C. Noncompliance with program cost limitations
- D. Inadequate procurement process
- E. Inadequate systems and lack of fiscal control
- F. Non-submission of accurate fiscal reports within the required time frames (a CAP is required at the end of any 3-month period in which an organization submits 2 or more late or inaccurate monthly fiscal reports)
- G. Inadequate property control system
- H. Non-resolution of audit findings or questioned costs

Program and Performance Findings:

- A. Failure to meet negotiated levels of performance of the core and customer satisfaction indicators for any program year
- B. Improper eligibility determination
- C. Noncompliance with required enrollment levels for any priority group established through state performance standards
- D. Failure to exit participants when there have been no services provided within the last 90 days
- E. Failure to develop and enforce policies regarding Individual Training Accounts (ITA)
- F. Failure to provide ITAs for participants who have been deemed eligible and in need of training

Local Monitoring Requirements: Each LWIB will establish policies and procedures related to their oversight responsibilities. These procedures are to be part of the local operational plan. Minimum standards shall include, but are not limited to:

- A. An annual schedule of activities to be reviewed
- B. An instrument or guide and procedures related to the overall monitoring requirements
- C. Operational procedures related to documentation of the reviews
- D. Operational procedures related to resolution of findings
- E. Operational procedures related to corrective action

VII. **Application of Sanctions:** In determining whether to impose a sanction, the frequency, quantity, flagrancy and severity of the finding and whether it was the result of willful disregard of the Act or other applicable laws and statutes will be considered. Following is a list of possible sanctions which may be applied for disregard of the Act, other applicable laws, regulations, and/or AWIB policies.

- A. Withholding LWIA funds until a CAP has been submitted or corrective actions have been implemented
- B. AWIB, or its designee, could temporarily take over data entry for both financial and participant data and charge the LWIA for the cost
- C. Recapture of unexpended funds
- D. Disallow costs associated with a particular violation or deficiency and require repayment from non-federal funds
- E. Disapproval of requests for specific or all fund draw-downs, until violation or deficiency has been corrected
- F. Deduct the amount of errant-expenditures from the LWIB administrative funds (current or subsequent program year allocation)
- G. Develop corrective action/performance improvement plan and/or modify local area plan
- H. Monetary sanctions to reduce the funding allocation for the next program year by 5% based upon the degree of failure to meet negotiated levels of performance
- I. Revocation of local area plan until conditions, violations or deficiencies have been corrected (grantees without approval local plans cannot receive WIA funds)
- J. Imposition of a reorganization plan which includes, but is not limited exclusively to:
 - 1. Decertifying the local board involved.
 - 2. Prohibiting the use of specific providers
 - 3. Selected an alternate entity to administer the program for the local area involved

4. Merging the local area into another local area
5. Making other such changes as deemed necessary to ensure compliance
6. Other actions as deemed appropriate by the AWIB or State staff upon approval of the AWIB

The AWIB reserves the right to increase the severity of sanctions for uncorrected violations. If, after lifting a sanction, the LWIB again fails to adhere to agreed-upon corrective actions, the subsequent sanction will be more severe in nature. Additionally, two or more violations of a similar nature within 6 months of each other will be deemed to be consecutive for purposes of determining deliberateness and/or frequency of the violation.

- VIII. **Sanctions/Parameters:** Refer to the Arkansas State Unified Plan, Workforce Investment Act of 1998, Attachment M-1, Corrective Actions.
- IX. **State Appeal Process:** Refer to the Arkansas State Unified Plan, Workforce Investment Act of 1998, Attachment M-2, Grievance and Appeal Procedure