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WIOA BULLETIN NO. 29-19, Change 2

TO: WIOA Partners

FROM: Maricar Pilotin-Freitas, Administrator
Workforce Development Division

SUBJECT: WIOA Data Validation Policy and Procedures

PURPOSE

The purpose of this bulletin is to replace the data validation policy and procedures, dated July 15, 2020 for carrying out data validation for Workforce Innovation and Opportunity Act (WIOA) Titles I and III programs and other programs funded by the U.S. Department of Labor (USDOL).

BACKGROUND

Section 116(d)(5) of WIOA mandates that states shall establish data validation procedures that are consistent with guidelines issued by the USDOL and the U.S. Department of Education to ensure that performance reporting information is valid and reliable. 2 CFR § 200.303 further mandates that grant recipients implementing Federal grants must have effective internal controls that provide reasonable assurance that grant recipients are managing Federal grants in compliance with Federal statutes, regulations, and the terms and conditions of the Federal grants.

Data validation helps ensure the accuracy of quarterly and annual performance reports and safeguards data integrity. Data validation is a series of internal controls or quality assurance techniques established to verify the accuracy, validity, and reliability of data. The purposes of data validation procedures are to:

- Verify that the performance data reported by grant recipients to the USDOL are valid, accurate, reliable, and comparable across programs;
- Identify anomalies in the data and resolve issues that may cause inaccurate reporting;
- Outline source documentation required for common data elements; and
- Improve program performance accountability through the results of data validation efforts.

POLICY

Data validation must be conducted by the Workforce Development Division (WDD) on an annual basis for all programs listed below. The WDD may conduct data validation separately from or as a part of its annual end-of-program-year monitoring. Data validation efforts must follow the “SCSEP Data Validation Handbook” for the Senior Community Service Employment Program and the “Standard Operating Procedure Manual” for all other programs. All inaccuracies, mistakes, errors, or missing source documentation (“errors”) that have been found as a result of data validation must be corrected by September 10th following the end of the program year. Prior to making any correction, however, the error must be copied and saved in an accessible format so that an auditor has the ability to see the error. In this regard, it is important for an auditor to follow the steps in how the error was found and corrected.

The following USDOL funded programs are subject to data validation:

- WIOA Title I, Adult, Dislocated Worker, and Youth Programs
- WIOA Title III, Wagner-Peyser Program
- Senior Community Service Employment Program (SCSEP)
- Trade Adjustment Assistance
- Jobs for Veterans State Grants
- National Dislocated Worker Grants
- Any future USDOL grants that will be subject to data validation.

All data elements marked as required for each program in Attachment II of TEGL No. 23-19 must be checked for errors. Each program has its own set of required data elements.

PROCEDURES

The Data Validation Standard Operating Procedure (SOP) Manual provides the complete details on carrying out data validation for all programs except for SCSEP. This section provides a high-level summary of important points that need to be emphasized and reiterated.

The SCSEP follows its own policy and procedures for data validation. See SCSEP Bulletin No. 03-16 issued December 6, 2016 and the SCSEP Data Validation Handbook issued November 2020.

Both the SOP Manual and the SCSEP Data Validation Handbook are distributed to staff under separate cover.

Principal Data Validation Effort

The principal data validation effort is based on comparing the physical participant case files with the electronic printouts of participant records from HireNet Hawaii and reviewing the case files against source documentation. For each program, there are two population groups made up of 1) total active participants and 2) total exited participants. Each group is broken down by local area. A sample of participants is drawn from the most recently concluded program year. For example, if an annual data validation is conducted in August 2021, then the participants under review are those from PY 2020.

Randomized samples are created for each population group per program and local area. There would be eight samples per program broken down by local area (four local areas equal four samples for active participants and four local areas equal four samples for exited participants). The SOP Manual provides details on creating randomized samples.

An error is counted for every missing source documentation and for every data element that has failed to match, where applicable, given the participant's program and characteristics and the types of services that the participant receives. Error rates are calculated based on the number of missing source documentation and the number of failed data elements. The average percentage missing source documentation and the average percentage failed data elements are error rates for a given sample. Each sample will have a pair of error rates: one for missing source documentation and the other for failed data elements.

A data validation report must be written for each WDD Office and Local Workforce Development Board (LWDB) describing the results of data validation for all samples. The report must include findings of errors. Each WDD Office and LWDB must have corrected all errors by September 10th following the end of the program year. Each WDD Office and LWDB must then provide feedback in a response to the report by October 15th following the end of the program year.

Key dates for annual data validation will be stated in letters or memos to each WDD Office and LWDB. All WDD Offices and LWDBs will be notified prior to starting data validation.

RECORD RETENTION

In accordance with 2 CFR § 200.334 and 29 CFR § 97.42, all documents and files associated with a program year must be retained for at least three years starting from the date that the WDD submits its last expenditure report for that program year. Record retention is extended by at least one more year for all participant records and documentation associated with exited participants. See WIOA Bulletin No. 08-17 for more information.

LOCAL AREA QUALITY ASSURANCE

The LWDBs may develop local policies and procedures on internal controls and quality assurance to protect and safeguard the participant case files and supporting documentation.

TRAINING AND TECHNICAL ASSISTANCE

The WDD will schedule and carry out annual data validation training every January for the WDD Offices, LWDBs, and the Service Providers. Training will primarily cover the results of data validation (i.e., going over reported errors). Any feedback received from the WDD Offices and LWDBs will be included in the training.

The WDD will provide technical assistance to the WDD Offices, LWDBs, and the Service Providers on an as-needed basis regarding any aspect of data validation.

REFERENCES

- Section 116(d)(5) of the Workforce Innovation and Opportunity Act of 2014 (WIOA), Public Law 113-128
- Title 2 Code of Federal Regulations (CFR) Sections 200.303, 200.328, and 200.333
- Title 29 Code of Federal Regulations (CFR) Section 97.42
- Training and Employment Guidance Letter (TEGL) No. 23-19, *Guidance for Validating Required Performance Data Submitted by Grant Recipients of U.S. Department of Labor (DOL) Workforce Programs*, June 18, 2020
- Training and Employment Guidance Letter (TEGL) No. 7-18, *Guidance for Validating Jointly Required Performance Data Submitted under the Workforce Innovation and Opportunity Act (WIOA)*, December 19, 2018
- WIOA Bulletin No. 08-17, *Policy on Records Retention and Access to Records*, January 26, 2017
- Source Documentation for WIOA Core/Non-Core Programs DOL-only Data Element Validation: https://wdr.doleta.gov/directives/attach/TEGL/TEGL_23-19_Attachment_2.pdf

INQUIRIES

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