



Montgomery County Workforce Development Board, MontcoWorks Risk Assessment Policy

REVISED: This policy was revised on 10/22/2021 to add information regarding the oversight of Incumbent Worker Training and other special contracts. The revision also allows for on-site visits to be replaced with desk reviews during extenuating circumstances.

PURPOSE: The purpose of this policy is to lay out the guidelines the Montgomery County Workforce Development Board, MontcoWorks, follows for risk assessment. Risk assessment is used to determine which contract service providers expose MontcoWorks to the most risk and the possibility of adverse consequences, thus informing the frequency and manner in which oversight will take place.

POLICY: At a minimum, administrative, fiscal, and programmatic oversight are conducted once per program year. Informal programmatic oversight is conducted quarterly, when appropriate. Contract service providers with medium risk are fiscally monitored biannually and those with high risk are fiscally monitored quarterly, when appropriate. Programmatic and fiscal oversight are conducted on Incumbent Worker Training contracts and other special contracts on an as-needed basis, no less than once per program year. Should a concern arise, programmatic and fiscal oversight may need to be completed more frequently on these contracts.

The type of review a contract service provider will undergo depends on the assessed level of risk of that contract service provider. Types of reviews include on-site visits, desk reviews, random sampling, surveys, and other types of appropriate activities. On-site visits are performed on contract service providers with high levels of risk, though they may be replaced with desk reviews under extenuating circumstances (such as during a pandemic or other situation where travel and in-person meetings may be considered unsafe or impractical).

Risk Assessment

The level of risk is assessed in determining the frequency and type of review each contract service provider will undergo. MontcoWorks staff uses the scoring system below to determine the level of risk. Point values are assigned to each question on the scoring system to help MontcoWorks staff classify vendors as high risk, medium risk, or low risk. This information helps MontcoWorks staff to determine how to allocate monitoring resources.

Scoring System

1. Does the contract service provider have prior experience with the same or similar sub-awards?
10 points = New program for this contract service provider
5 points = Prior experience with program, but managed for less than three years
0 points = Prior experience with program for three or more years
2. Was there a change in the contract service provider's personnel or practices since the last on-site review?
15 points = Extensive change
8 points = Some change
0 points = Little or no change

3. What is the extent of recent monitoring findings?
25 points = More than one finding occurred during the last two program year reviews
10 points = Single instance of non-compliance during the last two program year reviews
0 points = No findings occurred during the last two program year reviews
4. Does the contract service provider lack effective operational and fiscal procedures and controls?
20 points = More than one instance of non-compliance during the last program year review
5 points = A single instance of non-compliance during the last program year review
0 points = Full compliance during the last program year review
5. What is the extent of the recent single audit?
15 points = Substantial oversight findings within the past two years
8 points = Some oversight findings occurred within the past two years
0 points = No oversight findings occurred in the past two years
6. What is the contract service provider's share of the local area's allocation?
15 points = More than 25% of the Local Workforce Development Area's (LWDA's) allocation
8 points = Between 10% and 25% of the LWDA's allocation
0 points = Less than 10% of the LWDA's allocation

Risk Level Determination

68 - 100 points indicates the contract service provider is considered high risk.

34 - 67 points indicates the contract service provider is considered medium risk.

0 - 33 points indicates the contract service provider is considered low risk.