DIRECTIVE
Workforce Investment Board of Tulare County
Date: November 13, 2024
ERRATA: October 6, 2026

TUL 24-06 Local Policy: Risk Assessment

EXECUTIVE SUMMARY:

This policy provides guidance and establishes procedures for assessing the risk level of an organization when designating Subrecipients and awarding funds. This policy applies to all WIB Subrecipients of the Workforce Innovation and Opportunity Act (WIOA) and other special grant funds and is effective immediately.

This Directive contains WIB-imposed requirements.

This Directive supersedes WIB Directive WIBD 01-09, Risk Assessment, dated November 15, 2001. Retain this Directive until further notice.

Errata Chronology:

Errata #1 – On October 6, 2026, the following revisions were made to this Directive:

- Page 2 – Added Reference to include the following Workforce Services Information Notice, WSIN25-17, Federals Adjustment of Dollar Amounts and Rates (January 23, 2026).

REFERENCES:

- WIOA (Public Law 113-125) Section 184 – Fiscal Controls; Sanctions
- Title 2 Code of Federal Regulations (CFR) Subpart D, Post Federal Award Requirements Part 200.332 – Requirements for Pass-through Entities
- Title 29 CFR Subpart B, Pre-Award Requirements Part 97.12 – Special Grant of Subgrant Conditions for "High-Risk" Grantees
- Title 29 CFR Subpart C, Post-Award Requirements Part 97.20 – Standards for Financial Management Systems
- Title 29 CFR Subpart C, Part 97.43 – Enforcement
- Title 29 CFR Subpart C, Part 97.35 – Subawards to Debarred and Suspended Parties

- WIB Directive TUL 22-08 Standards for Oversight and Instruction for Monitoring (November 9, 2022)
- WIB Monitoring Procedures Manual
- Workforce Services Information Notice, WSIN25-17, Federals Adjustment of Dollar Amounts and Rates (January 23, 2026)

BACKGROUND:

The WIOA regulations provide guidance for the administration of procurement and award management. The guidelines provide specific direction, referring to Title 29 CFR Part 97, which outlines uniform administrative requirements for grants and cooperative agreements to state and local governments, and Title 2 CFR 200.332, which specifies requirements for pass-through entities.

POLICY AND PROCEDURES:

When procuring qualified Subrecipients for the delivery of WIOA services and other special grant funds, the WIB will conduct a thorough risk assessment on respondents to the Request for Proposals (RFP). The Risk Survey – Attachment A must be submitted with the proposal. The awarded Subrecipient will be subject to an annual risk assessment, or as needed, to determine the appropriate level of oversight and monitoring required to ensure compliance and effective performance.

The WIB Monitoring unit will be responsible for conducting the risk assessment and requesting any pertinent documents or information from the respondents and/or Subrecipients. The WIB Monitoring unit will work alongside the WIB Program unit to gain broader knowledge about an organization's associated risk. The results of the risk assessment will be shared with the WIB Program and Evaluation Committee when deciding to award or re-award an agreement.

The WIB shall have remedies for non-compliance and to determine the "risk" status of Subrecipients. This determination will be based on the risk assessment process that classifies Subrecipients into three risk categories (low, medium, and high risk) according to their overall Risk Assessment Matrix score. A thorough risk assessment will be conducted to appropriately identify and manage the associated risk when designating Subrecipients and awarding funds. A risk assessment must be complete before any disbursement of funds or the establishment of a new or renewal agreement to evaluate the risk status of Subrecipients, identify potential areas of concern, and determine the appropriate level of oversight and monitoring needed to ensure compliance and effective performance.

A risk assessment may also be conducted when significant programmatic and fiscal concerns are identified, contractual obligations are not met, compliance issues are detected during monitoring, or to reassess an organization classified as "high-risk." The WIB Monitoring unit

will notify Subrecipients in writing when a risk assessment is scheduled for re-evaluation. The notice will include the reason for the re-evaluation, any documents or information the Subrecipient must provide, the timeline for submission, and the potential implications of the re-assessment on their risk status and level of oversight.

Title 2 CFR 200.332(b) directs pass-through entities to evaluate each Subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for the purpose of determining the appropriate Subrecipient monitoring, which may include consideration of such factors as the following:

a. The Subrecipient's prior experience.
b. The results of previous audit findings.
c. Whether the Subrecipient has new personnel or new or substantially changed systems.
d. The extent and results of Federal awarding agency monitoring.

Special award conditions may apply to "high-risk" Subrecipients as defined in 29 CFR Part 97.12. A Subrecipient may be considered "high-risk" if the WIB determines that a Subrecipient:

a. Has a history of unsatisfactory performance;
b. Is not financially stable;
c. Has a management system that does not meet the standards set forth in 29 CFR Part 97.20;
d. Has not conformed to terms and conditions of previous awards; or
e. Is otherwise not responsible.

***The process of determining the risk associated with an organization involves a comprehensive evaluation using the Risk Survey - Attachment A and the Risk Assessment Matrix - Attachment B. The details of the forms and how the forms will be used to determine the Subrecipient's risk are as follows*:**

Risk Survey - Attachment A

The Risk Survey is a tool designed to gather information about an organization's operational stability, financial health, internal controls, program performance, and compliance and legal status. Subrecipient management personnel with institutional knowledge are required to complete the survey and submit it to the WIB before an agreement is issued. The survey responses will help the WIB assess potential risks associated with the Subrecipient and determine whether an agreement should be issued or reissued.

The Subrecipient must answer all questions on the Risk Survey to provide the WIB with a clearer understanding of the organization's risk of non-compliance. The following categories will help the WIB identify areas of concern or potential risk associated with the Subrecipient:

a. ***Operational Stability: Assessing the Subrecipient's operational stability identifies potential risks in operational proficiency, leadership stability, and organization continuity.***
b. ***Financial Health: Examining financial health identifies the Subrecipient's ability to manage funds effectively to sustain operations.***
c. ***Internal Controls: Analyzing internal controls identifies the Subrecipient's safeguards against fraud and error, ensuring financial integrity and operational reliability.***
d. ***Program Performance: Reviewing program performance measures the Subrecipient's effectiveness in achieving goals and delivering quality services.***
e. ***Compliance and Legal Status: Evaluating compliance and legal status ensures that the Subrecipient can adhere to regulations and minimizes legal risks.***

As part of the Risk Survey, the following documents must be readily available for review upon request:

a. ***Organization policy, procedures, and manuals***
b. ***Internal control policy and procedures***
c. ***California Certificate of Status***
d. ***Most recent 3 years Single Audit or other audit report prepared by independent auditors***
e. ***Indirect Cost Rate Agreement***
f. ***Organizational chart including key personnel***
g. ***Most recent 4 quarters WIOA performance***

Subrecipients must mark all documents applicable to its organization.

All responses submitted are subject to review to ensure the accuracy and reliability of the information provided. Any false statement or omission may result in disqualification from receiving an award or other actions deemed necessary by the WIB.

Risk Assessment Matrix – Attachment B

The Risk Assessment Matrix is an internal tool to categorize an organization's potential risk. A designated WIB monitor will serve as the evaluator and conduct the risk assessment. The Evaluator will use both the Subrecipient's Risk Survey and Risk Assessment Matrix to categorize the risk level of the Subrecipient.

The Evaluator will review the responses in the Risk Survey for completeness and reliability. To validate the Subrecipient's responses, the Evaluator may request supporting documents listed on the Risk Survey.

Risk Level Rating

The Evaluator will use the responses from the Risk Survey to fill in specific criteria on the Risk Assessment Matrix, which quantifies risk levels in areas such as operational stability, financial health, internal controls, program performance, and compliance and legal status. Additionally, the Evaluator will independently assess the criteria under the evaluator section. This dual approach ensures a comprehensive assessment of the Subrecipient's risk of non-compliance.

Each question will be assigned a score based on the response. The Risk Assessment Matrix will categorize each response as low, medium, or high risk.

Criteria under the Operational Stability, Financial Health, Internal Controls, Program Performance, and Evaluator Section categories will be scored as:

a. ***Low risk = 0 point***
b. ***Medium risk = 2 points***
c. ***High risk = 3 points***

Criteria under the Compliance and Legal Status category will be scored on a higher scale, with certain questions weighing more than others. Scoring will be as follows:

a. ***Low risk = 0 point***
b. ***Medium risk = 3 points***
c. ***High risk = 5 or 10 points***

This scoring system allows for a quantitative assessment of risk levels across various dimensions, ensuring a consistent and objective evaluation process.

After all the questions have been answered, the Evaluator will total the overall points from the Risk Assessment Matrix to determine the Subrecipient's risk level. The Subrecipient will be categorized as a low, medium, or high-risk status organization.

The rating of the risk statuses is as follows:

a. ***Low-risk organization: 0-50 points***
b. ***Medium-risk organization: 51-60 points***
c. ***High-risk organization: 61-100 points***

All Survey and Matrix tools and supporting documents used to evaluate each Subrecipient's risk status must be properly documented in the procurement or contract file and be made readily available.

The WIB will assign each Subrecipient a risk status based on the risk assessment process. The WIB Executive Director or an appropriate WIB Representative will finalize and approve this determination. The risk assessment serves as a resource for evaluating risk of noncompliance

and is not intended to be the determining factor in funding decisions. The WIB Program and Evaluation Committee will make recommendations to the WIB on whether to award funding to a Subrecipient. The assigned risk status will remain in effect until another risk assessment is completed for the Subrecipient, as applicable. This status will also guide the appropriate level of oversight and monitoring of Subrecipients.

Special Conditions and Restrictions for High-Risk Subrecipients

If the WIB Program and Evaluation Committee decides to award a grant to a "high-risk" Subrecipient, the committee will make recommendations on any special conditions and restrictions associated with the high-risk condition that may be included in the award.

Those special conditions may include, but are not limited to:

a. Payment on a reimbursement basis;
b. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
c. Requiring additional, more detailed financial reports;
d. Additional project monitoring;
e. Requiring the Subrecipient to obtain technical or management assistance; or
f. Establishing additional prior approvals.

If the WIB Program and Evaluation Committee decides to impose such conditions, the WIB Executive Director will notify the Subrecipient in writing of:

a. The nature of the special conditions/restrictions;
b. The reason(s) for imposing them;
c. The corrective actions that must be taken before the conditions/restrictions will be removed;
d. The time allowed for completing the corrective actions; and
e. The method of requesting reconsideration of the conditions/restrictions imposed (29 CFR Part 97.43).

The reconsideration process consists of:

a. A request for review, in writing, to the WIB Executive Director for reconsideration within five working days of notification of the conditions to be imposed.
b. Include information and/or data supporting the idea that the high-risk condition either does not or no longer exists. The information and/or data may be subject to verification by the WIB and provided to the WIB Program and Evaluation Committee for reconsideration.
c. The WIB Program and Evaluation Committee's determination shall be transmitted in writing and final.

Subrecipients who demonstrate no history of contracting with the WIB will be placed on probationary status for the first six months of the award period and will be provided regular technical assistance and programmatic and fiscal monitoring. No other restrictions or conditions may accompany this designation unless the Subrecipient is determined to be "high-risk."

The results of technical assistance provided and programmatic and fiscal monitoring will determine whether the probationary status should be extended. Subrecipients on extended probationary* identified in this directive *status shall provide copies of their detailed general ledger for the program and/or copies of supporting documentation for payroll and expenditures.

The enforcement remedies, including suspension and termination, do not preclude the Subrecipient from being subject to "Debarment and Suspension" under Executive Order 12549 (See 29 CFR Part 97.35).

ACTION:

Please bring this Directive to the attention of all WIB Subrecipients and WIB Staff.

INQUIRIES:

Please direct inquiries regarding this Directive to the WIB at (559) 713-5200.

Jennie C. Bautista
Executive Director

JB:DM:AR:lc:llg

ATTACHMENTS:

- Attachment A (Risk Survey)
- Attachment B (Risk Assessment Matrix)

The Workforce Investment Board of Tulare County is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

Risk Survey

Entity Name				Date Completed	
Grant Awards Number or CFDA Number				Completed By	
Type of Organization (select one)				Position Title	
Government	For-profit	Non-profit	Other (specify):	Contact Email	
				Contact Telephone	

Instruction: Complete the following questions by selecting either "**Yes**" or "**No**" for each item. Choose one response per question that best reflects the current status of your organization as a whole. Provide additional comments where necessary to clarify your responses.

Questions		Yes	No	Additional Comments
Operational Stability				
How long has this entity been in operation? Select one.	Less than 3 years			
	More than 3 years			
How long has this entity operated or managed federal, state, or local programs? Select one.	Less than 3 years			
	More than 3 years			
What is this entity's current employee vacancy rate? Select one.	Less than 10%			
	10% to 20%			
	More than 20%			
Have there been any significant changes over the past three years? If yes to any, please explain.	Top management			
	New systems			
Financial Health				
Does this entity have a cost allocation plan, policy, or procedures compliant with federal requirements? If no, please explain.				
Does this entity have a management system that meets the standards outlined in 29 CFR Part 97.20? If no to any, please explain.	Financial reporting			
	Accounting records			
	Internal control			
	Budget control			
	Allowable cost			
	Source documentation			
	Cash management			
Does this entity have processes to ensure the accuracy and reliability of financial reporting? If no, please explain.				
Will this award represent more than 20% of this entity's annual budget?				Entity's current annual budget: $

Risk Survey

Questions	Yes	No	Additional Comments
Internal Controls			
Does this entity have current written policies and procedures for all key operations and compliance areas? If no, please explain.			
Does this entity have written internal control procedures in place? If no, please explain.			
Does this entity have specific control activities in place to ensure compliance with applicable regulations? If no, please explain.			
Program Performance			
Has this entity met all contractual obligations and performance targets for current WIOA agreements? If no, please explain.			Check if not applicable: ☐
Have there been any disruptions in service delivery over the past year? If yes, please explain.			Incident status:
Within the past three years, have there been any programmatic findings or corrective actions? If yes, please explain.			Resolution status:
Does this entity conduct internal monitoring for program performance and compliance?			
Does this entity have training systems in place to quickly scale capacity or adapt services to meet changes in program requirements?			
Compliance and Legal Status			
Has this entity been audited by an independent auditor? If no, please explain.			Date of last audit: Audit status:
Within the past three years, has this entity been required to complete any corrective action plan? If yes, please explain.			Resolution status:
Within the past three years, have there been any findings in external or internal audits? If yes, please explain.			
Within the past three years, has this entity had a lawsuit filed against it? If yes, please explain.			
Has this entity ever been suspended or debarred from receiving federal awards? If yes, please explain.			
Has any entity top management staff been jailed, convicted, or are currently under criminal investigation for fraud, embezzlement, or other financial crimes? If yes, please explain.			

Risk Survey

The following documents must be readily available upon request:		Please check all applicable:
A	Organization policy, procedures, and manuals	
B	Internal control policy and procedures	
C	California Certificate of Status	
D	Most recent 3 years Single Audit or other audit report prepared by independent auditors	
E	Indirect Cost Rate Agreement	
F	Organizational chart including key personnel	
G	Most recent 4 quarters WIOA performance	

Please use the space below to provide any additional comments or explanations related to your responses above:

Applicant's Certification and Authorization: I certify that all answers provided above are true, accurate, and complete to the best of my knowledge. I understand that any false statements or omissions may result in disqualification or other actions deemed appropriate by the Workforce Investment Board of Tulare County (WIB). I hereby authorize the WIB to verify any information provided.

Print Name		**Position Title**	
Authorized Signature		**Date**	

Risk Assessment Matrix

Name of Entity under Assessment		**Period of Review**	
Name of Evaluator		**Purpose of Assessment**	
Evaluator Position Title		**Date Completed**	

Instruction: Each criterion should be marked only once. Use the entity's Risk Survey to score each question. The final section will be based on the Evaluator's assessment. Each criterion will have an associated risk score. Calculate the total score and refer to the risk level rubric to classify the entity's overall risk level.							**Score**
Criteria	**Low risk**	0 points	**Medium risk**	2 points	**High risk**	3 points	Min:26 Max:100
The following sections will be based on the response submitted on the entity's Risk Survey and will be scored as 0, 2, or 3 points:							
Operational Stability							
How long has this entity been in operation?	More than 3 years				Less than 3 years		0
How long has this entity operated or managed federal, state, or local programs?	More than 3 years				Less than 3 years		0
What is this entity's current employee vacancy rate?	Less than 10%		10% to 20%		More than 20%		0
Have there been any significant changes over the past three years?	Answered both as "**No**"		Answered one as "**No**" and one as "**Yes**"		Answered both as "**Yes**"		0
Financial Health							
Does this entity have a cost allocation plan, policy, or procedures compliant with federal requirements?	Answered "**Yes**"				Answered "**No**"		0
Does this entity have a management system that meets the standards outlined in 29 CFR Part 97.20?	Answered all as "**Yes**"		Answered 1-2 criteria as "**No**"		Answered 3 or more criteria as "**No**"		0
Does this entity have processes to ensure the accuracy and reliability of financial reporting?	Answered "**Yes**"				Answered "**No**"		0
Will this award represent more than 20% of this entity's annual budget?	Less than 20%		20% to 30%		More than 30%		0

Risk Assessment Matrix

Criteria	Low risk	0 points	Medium risk	2 points	High risk	3 points	Score
Internal Controls							
Does this entity have current written policies and procedures for all key operations and compliance areas?	Answered "**Yes**"				Answered "**No**"		0
Does this entity have written internal control procedures in place?	Answered "**Yes**"				Answered "**No**"		0
Does this entity have specific control activities in place to ensure compliance with applicable regulations?	Answered "**Yes**"				Answered "**No**"		0
Program Performance							
Has this entity met all contractual obligations and performance targets for current WIOA agreements?	Answered "**Yes**"		Checked as not applicable		Answered "**No**"		0
Have there been any disruptions in service delivery over the past year?	Answered "**No**"		Answered "**Yes**" and status as "**Resolved**"		Answered "**Yes**" and status as "**Unresolved**"		0
Within the past three years, have there been any programmatic findings or corrective actions?	Answered "**No**"		Answered "**Yes**" and status as "**All resolved**"		Answered "**Yes**" and status as "**Not all resolved**"		0
Does this entity conduct internal monitoring for program performance and compliance?	Answered "**Yes**"				Answered "**No**"		0
Does this entity have training systems in place to quickly scale capacity or adapt services to meet changes in program requirements?	Answered "**Yes**"				Answered "**No**"		0

Risk Assessment Matrix

Criteria	Low risk	0 points	Medium risk	3 points	High risk	5 or 10 points	Score
Compliance and Legal Status							
The following section will be based on the response submitted on the entity's Risk Survey and will be scored as 0, 3, or 5:							
Has this entity been audited by an independent auditor?	Answered "**Yes**" and date of last audit is within 2 years		Answered "**Yes**" and date of last audit is more than 2 years ago		Answered "**No**"		0
Within the past three years, has this entity been required to complete any corrective action plan?	Answered "**No**"		Answered "**Yes**" and status is "**Closed**"		Answered "**Yes**" and status is "**Open**"		0
Within the past three years, have there been any findings in external or internal audits?	Answered "**No**"				Answered "**Yes**"		0
Within the past three years, has this entity had a lawsuit filed against it?	Answered "**No**"				Answered "**Yes**"		0
The following section will be based on the response submitted on the entity's Risk Survey and will be scored as 0 or 10:							
Has this entity ever been suspended or debarred from receiving federal awards?	Answered "**No**"				Answered "**Yes**"		0
Has any entity leadership staff been jailed, convicted, or are currently under criminal investigation for fraud, embezzlement, or other financial crimes?	Answered "**No**"				Answered "**Yes**"		0

Risk Assessment Matrix

Criteria	Low risk	0 points	Medium risk	2 points	High risk	3 points	Score
The following section will be based on the evaluator's discretion and will be rated 0, 2, or 3 points:							
Evaluator Section							
Does this entity have a history of providing services for or working with the Workforce Investment Board of Tulare County?	More than 5 years of recent experience		2-4 years of recent experience		Less than 2 years of recent experience		0
Are there any public reports of financial mismanagement or fraud within this entity?	No		Yes, more than 10 years ago		Yes, within the past 10 years		0
Does the entity have a track record of successfully completing similar projects or programs?	Yes				No		0
Was this entity able to provide all supporting documents requested?	Able to provide all		Unable to provide 1		Unable to provide more than 1		0

Please check all the documents requested:		
A	Organization policy, procedures, and manuals	
B	Internal control policy and procedures	
C	California Certificate of Status	
D	Most recent 3 years Single Audit or other audit report prepared by independent auditors	
E	Indirect Cost Rate Agreement	
F	Organizational chart including key personnel	
G	Most recent 4 quarters WIOA performance	

Please use the space below to provide any additional comments or explanations related to your evaluation above:

Risk Assessment Matrix

Risk Scores by Categories		
Criteria Categories	**Category Rubric**	**Score**
Operational Stability	Min. 0 – Max 12	0
Financial Health	Min. 0 – Max 12	0
Internal Controls	Min. 0 – Max 9	0
Program Performance	Min. 0 – Max 15	0
Compliance and Legal Status	Min. 0 – Max 40	0
Evaluator Section	Min. 0 – Max 12	0
	Total Risk Score	0

Total Risk Level Rubric	Low risk	0 - 50	Medium risk	51 - 60	High risk	61 - 100
Entity's risk status						

Authorized Evaluator Signature		**Date**	