



**North Central Texas Council of Governments**

July 29, 2022

Ms. Juanita Budd  
Project Director  
Equus Workforce Services  
624 Six Flags Drive, Suite 245  
Arlington, TX 76011

Dear Ms. Budd:

NCTCOG completed the third review for FY2022 related to the Contract # FY22-TWC-02, between Equus Workforce Solutions and NCTCOG, for the provision of Workforce Services for Workforce Solutions for North Central Texas.

The attached final report details the scope of the monitoring and includes the Equus response to the required corrective action. Your timely completion of the required error corrections and Management response is appreciated. All errors are resolved pending follow-up monitoring of the successful implementation of your proposed corrective actions.

My staff are available to answer questions about this report and to provide technical assistance as needed.

Sincerely,

Phedra Redifer  
Executive Director of Workforce Development

Cc: Moneisa Downs  
Lisa Boyd  
Mark Douglass  
Carlton Tidwell

SharePoint URL: <https://nctcog.sharepoint.com/sites/Extranet-WD-ResCare>



## **FY2022 NCTCOG WORKFORCE 3**

For

Equus Workforce Services

Contract FY22-TWC-02

July 29, 2022

*Prepared by*

*Workforce Development - Compliance and Continuous Improvement*

**North Central Texas Council of Governments**

**Workforce Solutions for North Central Texas**

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## Glossary of Acronyms and Definitions

AOP	Affirmative Outreach Plan
COLTS	Choices Online Tracking System
EOS	Explanation of Services
ETPS	Eligible Training Provider System
EQUUS	Equus Workforce Services
HHSC	Health & Human Service Commission
ITA	Individual Training Account
LEP	Limited English Proficiency
NCP	NCP Non-Custodial Parent
NCTCOG	North Central Texas Council of Governments
NCTWDB	North Central Texas Workforce Development Board
NDWG	National Dislocated Worker Grant
OAG	Office of Attorney General
ONET	Occupational Information Network
OTDC	Orientation to Discrimination Complaints
PII	Personally Identifiable Information
PRA	Personal Responsibility Agreement
REP	Re-employment Plan
WORCS	Equus Workforce Operations and Re-employment Case System
RESEA	Reemployment Services and Eligibility Assessment
SNAP	Supplemental Nutrition Assistance Program
TANF/Choices	Temporary Assistance for Needy Families/Choices
TAA	Trade Adjustment Assistance
TDS	Talent Development Specialists
TRA	Trade Readjustment Allowance
TWC	Texas Workforce Commission
TWIST	The Workforce Information System of Texas
UGMS	Uniform Grant Management Standards
WD	Workforce Development
WIT	WorkInTexas.com, TWC's online job matching system
WSNCT	Workforce Solutions for North Central Texas
Laserfiche	The electronic document management system for customer records. The migration of Workforce program records began September 24, 2018.
Merit Staff	State case management staff that provide services through the American Job Center Network Delivery system, and have their salaries paid from program specific funding streams such as Trade Adjustment Assistance or Wagner Peyser.

## North Central Texas Council of Governments

### Workforce Solutions for North Central Texas FY2022 NCTCOG Workforce Review 3 Equus Workforce Services

#### North Central Texas Workforce Services Contract FY22-TWC-02

## BACKGROUND

Following the adoption of a resolution by the North Central Texas Workforce Board of Directors at the May 19, 2020, meeting endorsing Equus Workforce Services as the provider for the delivery of Workforce Services, the North Central Texas Council of Governments executed a new one - year contract. The contract contains options for renewal and includes language for appropriate contractual sanctions and/or remedies to ensure that all established performance measures will be met. The contract was renewed for the period of October 1, 2021, through September 30, 2022.

## RISK

The FY2022 Risk Assessment determined that Data Integrity and Customer Service continue to be the primary areas of risk for all Workforce programs. There was a resumption of pre-COVID-19 participation requirements for Choices and SNAP programs. Significant consideration was given to the following:

- SNAP continues to be high risk in the overall case management including the requirements for the form H1822, Good Cause, and Reconsideration actions to HHSC.
- For Choices, TWC recently added additional allowable activities for performance measures and are required to be verified in TWIST effective October 1, 2021.
- The potential for continued gaps in the accuracy and integrity of WIOA data in TWIST and Laserfiche, as revealed in FY2021 monitoring.
- Continued integration of Vocational Rehabilitation Services requiring resources for larger numbers of individuals with significant barriers to employment.
- High rates of turn-over in Subrecipient staff.
- Insufficient evaluation methods for the effectiveness of subrecipient staff training.

## OBJECTIVE

NCTCOG conducts program monitoring as required by TWC to provide:

- Enough information to the workforce services subrecipient for implementing timely corrective actions to meet requirements and performance measures as contracted.
- Assurance to TWC that workforce services programs are operated with compliance with regulations and policies so TWC may rely on system data for their reports to federal partners.
- Pertinent information to the North Central Texas Workforce Board to fulfill their

oversight responsibilities.

- Assurance to the public and participants that quality and compliant services are being equitably delivered throughout the Workforce Solutions for North Central Texas area.

## SCOPE

This review focused on data integrity and customer service through review of:

- SNAP
- Choices
- NCP
- WIOA Adult and Dislocated Worker Training and Support Services
- WIOA Youth Support Services and 30-Day Contacts
- TAA Training Activities
- RESEA (Reemployment Services and Eligibility Assessment) Activities
- AOP Log Review.

Desk reviews included a sample of work from the 11 centers in the North Central Texas Board area.

## METHODOLOGY

Sample cases were chosen by simple random selection. The reviews utilized data and reports from The Workforce Information System of Texas, WorkInTexas.com, COLTS, and individual case files from Laserfiche.

## SUMMARY OF RESULTS

### SNAP

Twenty-two files were reviewed for compliance with case management requirements. Cases were reviewed from the entry into the program through exit for the scope period of February through April 2022. Inappropriate case management and data validation were not in compliance and cited with the following errors:

- In applicable files, the Workfare letter was not in the file or was not generated.
- The Service 68 was not entered timely into Service Tracking.
- The Reconsideration process was not followed.
- Sanctions were not processed as required.
- Untimely or inaccurate data entry in TWIST modules.
- Missing documents in the file to support TWIST data entry: SNAP eligibility, Service Plans, and Participation hours.
- The documents in the file did not match the data entry in TWIST Service Tracking, Support Services tab, or Counselor notes.

The accuracy rate is **77.02%**.

## **CHOICES**

Ten files were reviewed for compliance with case management requirements. A full review was conducted for the scope period of February through April 2022. There was noncompliance for data validation, missing documents in the file, and gaps in case notes with the following errors:

- Missing initial or monthly Eligibility verification.
- Initial and ongoing assessments were not conducted.
- Family Employment Plans were not developed or updated.
- The Service 68 was not entered timely or not entered in Service tracking.
- Participation hours were either not allowable or not calculated correctly.
- Participation hours in the file did not match TWIST Service Tracking or counselor notes.
- Performance related hours were not verified appropriately.
- Support Services were not issued appropriately.
- Support Service entries did not match the documents in the file or TWIST counselor notes.
- HHSC was not notified timely when customer reported a change.
- Employment incentives were not issued appropriately.
- Sanctions were not initiated within 7 days of noncompliance.

In this review, one file indicated to have an improper payment. Per the TWIST TANF Eligibility document in the file and case notes by staff, the participant's TANF ended on 2/28/22. Staff documented this at the beginning of the month of February and prior to the end of the month on 2/26/22. Staff requested a support service payment for March Utility bill in the amount of \$467.00 on 2/22/22. The request was approved and paid via Purchase Card on 2/28/22.

The accuracy rate is **76.25%**. Equus provided responses and it was determined that there was finding that was not an error. The finding was reviewed and removed. This increased the accuracy rate to **76.88%**.

## **Support Services and Incentives for Choices, SNAP and NCP**

Twenty-eight files were reviewed consisting of Choices, SNAP, and NCP participants. The scope of review was October through December 2021. The Support Services/Incentive review consisted of the proper issuance of support services, gas cards, childcare and incentives for eligible participants that met program participation and compliance requirements.

The review indicates noncompliance with the support service process. The following errors were found:

- Inconsistencies with the case note documentation; the notes were entered untimely or were inaccurate.

- Case notes did not document when the support was issued to the customer.
- Data entry in TWIST did not match the documents in the file or there were no documents in the file to support the TWIST entries.
- For SNAP customers in Job Retention, the incorrect fund codes were tracked in the Support Service tab.

The accuracy rate is **84.75%**.

### **NCP**

A review of four (active and closed) case files was conducted for the scope period of February 2022 through June 2022.

Errors found in the following areas:

- An updated EDP (Employment Development Plan) was not found in Laserfiche.
- An updated EDP was not entered in the TWIST Service Tracking tab.
- In one instance, the Management approval/signature for rental and vehicle assistance could not be located in Laserfiche.
- In multiple cases, the Verification of participation or employment was not updated timely (within 3 days).

The accuracy rate for the review is **93.15%**.

### **WIOA Adult, Dislocated Worker Training and Support Services**

Thirteen cases were read for compliance with regulations related to training activities and support service payments. Training elements were intentionally reviewed again in the third quarter because there were so few customers in the second quarter sample who had entered training at the time that review was conducted.

Only minor gaps were noted in documentation related to the need for training and the establishment of individual training accounts. Significant gaps were found in the documentation or processing of support service payments. Five of the eight cases in which customers received support services contained errors including:

- Cases that did not have supporting documents in customer files.
- Missing entries in the TWIST service tracking tab.
- Incorrect dollar amounts entered into the TWIST service tracking tab.

The accuracy rate for the review is **84.48%**.

### **WIOA Youth Support Services and 30-Day Contacts**

Eleven WIOA Youth files were read for compliance with regulations for support service payments. Gaps were found in the documentation or processing of support service payments. Five of the eleven cases in which customers received support services contained errors including:



- Cases that did not have supporting documents in customer files.
- Missing entries in the TWIST service tracking tab.
- Incorrect dollar amounts entered into the TWIST service tracking tab.

The accuracy rate for the review is **90.77%**.

### **TAA Training Activities**

Twelve cases were reviewed for compliance with regulations on training activities. Elements for confidentiality and limited English proficiency were also included and found to be compliant. Minor gaps were found in the documentation of measurable skills gains. Seven of the 12 cases read had errors related to the entry of the 01-service code for training, such as:

- Closing the monthly 01 service with the incorrect completion reason.
- Not opening the 01 service when training was continuing.
- Not using required sub-fund codes.

The accuracy rate for the review is **75%**.

### **RESEA Activities**

Substantial compliance with RESEA requirements is noted. All customers were assisted with a reemployment plan and provided with labor market information. Services were data entered in a timely manner and exemptions were provided when appropriate.

The accuracy rate for the review is **98.89%**.

### **AOP Log Review**

A sample review of sixteen outreach activities was conducted for the last scope period of January 1, 2022, through March 31, 2022. The review consisted of 135 applicable elements with 130 of them correct and 5 in error, which resulted in an overall accuracy rate of **96.30%**.

The following errors were cited:

- One outreach activity did not include adequate documentation of the groups outreached to. (e.g., Young Adult was noted as the group rather than a targeted or specific group underserved within the community). Errors for Element #8 were found, including a lack of documentation to specify what services or programs were offered. (e.g., Services offered states only "programs").
- Multiple errors were found in outreach activities regarding a lack of documentation specifying what services or programs were offered. (e.g., in one outreach the "Services offered" is noted only as "Workforce Services"). This element accumulated the highest number of errors.

## CONCLUSION-GAP ANALYSIS

Overall, for both the Choices and SNAP programs there continues to be a lack of adherence to TWC Choices and SNAP policy. Untimely and inappropriate actions can lead to loss of customer benefits and inappropriate issuance of support services. Failure to document actions timely and accurately reflects improper case management. A lack of consistent data within different areas of TWIST and incomplete customer files is seen across all programs, (with the exception of RESEA) this indicates a lack of Management over-site and the inability of staff to review and self-correct their own errors.

Process gaps still exist in the AOP outreach activities, and the documentation of information provided on services and programs offered in the North Central Texas Workforce Board area.

## PROGRAM FINDINGS

Finding 1: One hundred and ninety-three data integrity and case management errors were identified during the file review of one thousand two hundred and two applicable elements. Specific case errors are detailed in the attachments provided with the draft report.

Citation: Equus Workforce Services, North Central Texas Workforce System Contract # FY22 TWC-02:

### *Section 5: Contract Performance:*

- *5.3 The Subrecipient shall provide such services in compliance with all applicable federal and state laws, regulations, and rules.*
- *5.4 The Subrecipient shall comply with all Texas Workforce Commission (TWC) policies and procedures or guidance manuals, attached hereto or incorporated herein by specific reference and other Administrative Entity directives as issued. In the event of a conflict between such laws and regulations and the terms and conditions the Contract, precedence shall be given to the laws and regulations.*

### *Section 9: Reporting Requirements:*

- *9.3 The Subrecipient understands that it will be held liable for completeness, accuracy, and consistency of all data under its control.*
- *9.6 Failure to data input or to report in accordance with the terms of this Contract may result in withholding by the Administrative Entity of any payments otherwise due or, it may result in financial sanctions to be imposed in accordance, with the Administrative Entity's policies and procedures. Recurring failure to meet the terms and conditions for data input or reporting may result in the termination of this Contract.*

## Required Corrective Action

Equus Management must correct individual file errors *where possible* and provide evidence of the corrective actions with their response to this report. For Choices and SNAP findings, Equus must provide documentation to support the implementation of training specific for each program that is noncompliant. The responses should be documented on the PIP (Performance Improvement Plan) templates for Choices and SNAP E&T. Elements that specifically identify program performance and actions that could impact the eligibility benefit for participants should be more heavily reviewed.

For the improper payment of \$467, Equus must provide a response acknowledging the improper payment. If the improper payment is disputable, Equus must provide supporting documentation to have the issue resolved. A check for the appropriate amount must be paid to NCTCOG from non-Federal Funds within 15 days of receipt of this draft report with the memo line indicating payment is for the FY2022 NCTCOG Workforce 3 Report - Choices.

## Equus Response

Equus Workforce Solutions Management has reviewed the report and its findings and have worked with Center Managers and Talent Development Specialists (TDS) to correct errors where possible. Program Managers reviewed each error to ensure appropriate corrections were applied. All errors have been discussed with the responsible TDS with technical assistance provided to ensure staff understood the errors.

The Operations Team continues to operate under the continuous improvement model – Identify, Plan, Execute, and Review. The team continues to hold weekly and quarterly meetings with Center Managers and Talent Development Specialists to discuss quality, provide updates, share best practices, and set expectations.

The Leadership Team, including the Operations Team, met in June and July to review local processes to strengthen how we provide necessary guidance and technical assistance to the Talent Development Specialists. Results included analysis of current situation, strengthening accountability, creating individual performance improvement plans, and stronger communication between the Deputy Director Operations Manager, and Center Manager.

## CHOICES

All errors were discussed with the Center Manager and with the Talent Development Specialists. We will continue to provide and enhance the following:

- Individual results reviewed with staff and center management

- PIP reviews continue weekly with corrections expected within three days
- Trends identified as a result of PIP reviews are discussed with the Deputy Director, Operations Manager, Program Manager, and Center Manager to identify the best way to address this with the TDS.
- The questioned cost has been resolved by providing additional documentation. The electricity statement, although dated for March, was for a billing period of 1/11/22 to 2/11/22. The statement and support services packet were uploaded to Laserfiche on 2/15/22. The counselor note to support this was entered in TWIST on 7/7/22.

### **SNAP**

All errors were discussed with the Center Manager and with the Talent Development Specialists. We will continue to provide and enhance the following:

- Individual results reviewed with staff and center management
- PIP reviews continue weekly with corrections expected within three days
- Trends identified as a result of PIP reviews are discussed with the Deputy Director, Operations Manager, Program Manager, and Center Manager to identify the best way to address this with the TDS.
- Reminder e-mails are sent to CMs/TDSs throughout the week.

### **Support Services and Incentives for Choices, SNAP, and NCP**

All errors were discussed with the Center Manager and with the Talent Development Specialists.

These errors are identified during PIP reviews. The following activity will take place as a result of these PIP reviews.

- Individual results reviewed with staff and center management
- PIP reviews continue weekly with corrections expected within three days
- Trends identified as a result of PIP reviews are discussed with the Deputy Director, Operations Manager, Program Manager, and Center Manager to identify the best way to address this with the TDS.

### **NCP**

All errors were discussed with the Center Manager and with the Talent Development Specialists. We will continue to provide and enhance the following:

Trends identified will be discussed with the Center Manager to identify the best way to address this with the TDS.

## **WIOA Adult, Dislocated Worker Training and Support Services**

All errors were discussed with the Center Manager and with the Talent Development Specialists. We will continue to provide and enhance the following:

Trends identified are discussed:

- With the Deputy Director, Operations Manager, Program Manager, and Center Manager to identify the best way to address this with the TDS.
- During weekly WIOA meetings with TDS and Center Managers

Program Manager will continue to review 25% of cases that have gone more than 30 days without a service. In addition, she will also review for:

- Cases that do not have supporting documents in customer files.
- Missing entries in the TWIST service tracking tab.
- Incorrect dollar amounts entered the TWIST service tracking tab.

## **WIOA Youth Support Services and 30-Day Contacts**

All errors were discussed with the Center Manager and with the Talent Development Specialists. TWIST reporting is sent weekly to TDS for review and case management action for monthly contact. Management team members will review for validation of contact.

Trends identified are discussed

- With the Deputy Director, Operations Manager, Program Manager, and Center Manager to identify the best way to address this with the TDS.
- During weekly WIOA Youth meetings with TDS and Center Managers

Program Manager will continue to review 25% of cases that have gone more than 30 days without a service. In addition, she will also review for:

- Cases that do not have supporting documents in customer files.
- Missing entries in the TWIST service tracking tab.
- Incorrect dollar amounts entered the TWIST service tracking tab.

## **TAA Training Activities**

WIOA staff were trained/retrained on TAA on 6/21/22 through 6/23/2022 by the WIOA/TAA Program Manager. This was to ensure all WIOA staff are knowledgeable on the practices of TAA case management due to the recission of case management support as part of the Trade Act funding.

To increase the accuracy of the case management data entry a report will be issued at

the first of the month of all TAA case files with training activities. TWIST entries will be confirmed for correct data entry by the 10<sup>th</sup> day of the following month. This will be managed by the Program Management and Performance team.

All errors were discussed with the Center Manager and with the Talent Development Specialists.

Trends identified were discussed:

- With the Deputy Director, Operations Manager, Program Manager, and Center Manager to identify the best way to address this with the TDS.
  - During weekly WIOA/TAA meetings with TDS and Center Managers
- 
- Closing the monthly 01 service with the incorrect completion reason.
  - Not opening the 01 service when training was continuing.
  - Not using required sub-fund codes

### **RESEA Activities**

Our continued efforts of weekly oversight are proving successful. We will continue to manage and observe the RESEA program in this manner to ensure continued positive outcomes.

### **AOP Log Review**

All errors were discussed with Center Management and corrected. Equus leadership continues to review and strengthen our process to ensure workforce services are shared with all demographics within our communities.

## APPENDIX A

Program Reviewed	Area of Review	Period of Review	Number of Records Reviewed	Number of Errors found in the Number of Elements Reviewed	Total Elements Yes	Total Elements No	Total Applicable	Overall Case Accuracy Rate
SNAP	Full Review	Feb. 2022 – April 2022	22	91/396	305	91	396	77.02%
Choices	Full Review	Feb. 2022 – April 2022	10	37/160	123	37	160	76.88%
Support Services & Incentives CSN	Choices, SNAP & NCP	Oct. 2021 – Dec. 2021	28	27/177	150	27	177	84.75%
NCP	Non-Custodial Parent	Feb. 2022-June 2022	4	5/73	68	5	73	93.15%
WIOA Adult DW	Training and Support Services	Jan. 2022 March 2022	13	9/58	49	9	58	84.48%
WIOA Youth	Support Services	Jan. 2022 March 2022	11	6/65	59	6	65	90.77%
TAA	Training and Exit activity	Oct. 2021-Feb 2022	12	12/48	36	12	48	75.0%
RESEA	Required Activities	March 2022 – May 2022	22	1/90	89	1	90	98.89%
AOP	Outreach Log	Jan. 2022-March 2022	16	5/135	130	5	135	96.30%