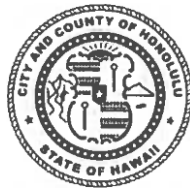


DEPARTMENT OF COMMUNITY SERVICES
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April 28, 2026

Mr. Harrison Kuranishi
Executive Director
O'ahu Workforce Development Board
715 South King Street, Suite 211
Honolulu, Hawaii 96813

Subject: Workforce Innovation Opportunity Act (WIOA) Program Monitoring
PY25 WIOA Adult, Dislocated Worker and Youth

Dear Mr. Kuranishi,

I am writing to address the findings from the WIOA Program Monitoring PY25
WIOA Adult, Dislocated Worker and Youth.

WorkHawaii has reviewed the ten (10) findings outlined in the report and has
implemented corrective actions to ensure compliance and improve our operational
processes.

Attached are our detailed responses to the findings. We appreciate your
guidance and support in these matters and look forward to enhancing our services
under the WIOA programs.

If you have any questions or need further information regarding the WIOA Title I
program responses, please contact Leinaala H. Nakamura, WorkHawaii Administrator, at
(808) 768-5888 or via email at lnakamura@honolulu.gov.

Sincerely,

A stylized, handwritten signature of Anton C. Krucky, appearing as "J-f) 1 -" with a diamond-shaped symbol to the left.

'C-' Anton C. Krucky
Director

Attachment

Finding #1: The AJC Business Services Team lacks proper representation from other Partners.

1. Statement of Finding

Currently the AJC Business Services Team (BST) is comprised of only WorkHawaii Title I staff which makes it a WorkHawaii BST, not an American Job Center BST. Business engagement is a One-Stop service. The BST In the Workforce Development Council Employer Engagement Committee the BST presented to on January 12, 2026, their scope of services were limited to Title I activities only, and does not mention any of the other core partner programs whilst still marketing itself as American Job Center.

Per OWDB Policy, the BST shall include business services leadership from each of the Title I, II, III, and IV partners. In addition, per the Hawaii State Unified Plan effective 2024-2027, the BST should also include the Local Veteran Employment Representative (LVER) as a member of these teams. This ensures that veterans remain to be a priority of service, allows businesses to have a fuller scope of services offered by all of the AJC partners, and fosters collaboration and deeper partnership within the workforce ecosystem at the One Stop Center.

2. Recommended Corrective Actions as Stated in the Report

Restructure the AJC Business Services Team to include representatives from each of the core partners along with a LVER. It is the One Stop Operator's role to establish the local BST and support all WIOA partners in ensuring implementation of the OWDB Business Service policy.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

Clarification of BST Structure

To address this finding, WorkHawaii provides the following clarification to distinguish between three separate references to "BST":

- 1. State Workforce Development Council (WDC) Best Practice BST**
A statewide model for coordinated employer engagement across programs.
- 2. OWDB Policy #01-23 BST**
A formal, required AJC-wide, cross-partner Business Services Team, inclusive of Titles I-IV and required partners, led by the One-Stop Operator.
- 3. WorkHawaii Title I BST**
An operational team established to carry out employer engagement activities specific to WIOA Title I funding and program scope.

Context and Intent

The team referenced during monitoring is the WorkHawaii Title I Business Services Team, which was established to support employer engagement within the scope of Title I programming.

This structure was developed as a scaled implementation of industry best practices, aligned to available Title I resources and program requirements. It was not established or intended to function as the AJC-wide BST as later defined under OWDB Policy #01-23.

WorkHawaii acknowledges that the use of the term "BST" without distinction contributed to confusion regarding scope and representation.

Response and Forward Alignment

WorkHawaii supports the intent of OWDB Policy #01-23 and the development of a coordinated, cross-partner Business Services Team. Within the scope of its role, WorkHawaii will:

- Clarify and standardize terminology in internal and external communications to distinguish between Title I business services functions and the AJC-wide BST
- Coordinate with the One-Stop Operator to confirm structure, roles, and expectations for the AJC-wide BST
- Participate in OSO-led planning efforts to support development or refinement of a policy-aligned, cross-partner BST
- Designate appropriate Title I representation to participate in the AJC-wide BST once established
- Align Title I business services activities and data tracking to support integration into a broader, system-level employer engagement framework

Scalability Statement

WorkHawaii's current Title I Business Services structure reflects a **resource-aligned implementation of employer engagement best practices**. With additional resources and formal cross-partner coordination, this structure can be expanded to fully align with:

- OWDB Policy #01-23 requirements
- State-level best practices for integrated business services

4. Timeframe for Implementation and Completion of Corrective Actions

Within 30 days:

- Initiate coordination with the One-Stop Operator to review OWDB Policy #01-23 and confirm expectations regarding the structure and implementation of the AJC-wide Business Services Team
- Begin standardizing terminology and internal documentation to clearly distinguish between Title I business services and the AJC-wide BST

Within the OSO established timeframe:

- Participate in OSO-led planning discussions and provide input regarding Title I roles and coordination within the AJC-wide Business Services Team

Ongoing, following OSO-led implementation:

- Participate as a Title I representative in the AJC-wide Business Services Team

- Support coordinated employer engagement activities and alignment of services with partner programs

S. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Title I Business Services Team Lead
- One-Stop Operator (lead responsibility for BST establishment and coordination)
- AJC Partner Representatives (Titles II, III, IV, and LVER), as applicable

Finding #2: Lack of Business Services report to OWDB

1. Statement of Finding

OWDB Policy states that the BST will submit monthly reports to OWDB about number of businesses served (tracked by name), business size, and types of services provided (assessment, recruitment services, labor market information (LMI), layoff aversion, registered apprenticeship, training, etc.). No reports have been submitted.

2. Recommended Corrective Actions as Stated in the Report

Begin submitting monthly reports to OWDB. The BST should review and familiarize OWDB's Business Services Policy to ensure understanding of their role and requirements.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

Clarification of Reporting Structure

As noted in Finding #1, the business services activities reviewed during monitoring were conducted by the WorkHawaii Title I Business Services Team, rather than a formally established AJC-wide, cross-partner BST as defined under OWDB Policy #01-23.

Under the policy, monthly reporting requirements are tied to a coordinated, multi-partner BST structure, including defined roles for data collection, aggregation, and submission. As such, full implementation of reporting requirements is dependent on the establishment and operationalization of the AJC-wide BST, led by the One-Stop Operator (OSO).

Control and Data Readiness Approach

While a centralized reporting structure has not yet been formalized, WorkHawaii recognizes the Board's interest in ensuring that:

- Business engagement activities are consistently tracked and verifiable, and
- Required reporting elements can be accurately compiled and reported once structure is established

To support this, WorkHawaii will ensure that Title I business services data is maintained in a manner that aligns with OWDB reporting requirements.

Actions for Alignment and Implementation

Within the scope of its role, WorkHawaii will:

- Coordinate with the One-Stop Operator and OWDB to confirm reporting expectations, including:
 - Reporting ownership
 - Data definitions and required elements
 - Submission process and timelines
- Participate in OSO-led development of a standardized, cross-partner reporting framework
- Align internal data tracking practices to ensure that Title I business services activities capture:
 - Employer engagements (including business identifiers)
 - Business characteristics (e.g., size, industry)
 - Types of services provided
- Designate responsible staff for compiling and validating Title I data for reporting purposes
- Support timely and accurate submission of data as part of the AJC-wide reporting structure once implemented

Interim Positioning

WorkHawaii's approach ensures that, upon establishment of the AJC-wide BST and reporting framework:

- Required data elements are already captured, organized, and reportable
- Reporting can be implemented without delay or reconstruction of records
- Data integrity and consistency are maintained across reporting periods

4. Timeframe for Implementation and Completion of Corrective Actions

Within 30 days:

- Initiate coordination with the One-Stop Operator and OWDB to clarify Business Services reporting expectations, including roles, responsibilities, and reporting structure
- Begin aligning internal data tracking practices with OWDB reporting requirements

Within the OSO established timeframe:

- Participate in OSO-led development of a standardized reporting process and ensure internal alignment for Title I data contribution

Ongoing, following implementation of reporting structure:

- Contribute required Title I data and support timely and accurate submission of monthly Business Services reports as part of the AJC-wide Business Services Team

5. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Title I Business Services Team Lead

- One-Stop Operator (lead responsibility for coordination of AJC-wide reporting, as applicable)
- Designated reporting staff, as applicable

Finding #3: Lack of monthly case noted contact during training

1. Statement of Finding

For many participant case files, there is a lack of case noted contact during the duration of the participant's training or their participation in other individualized career services. Per OWDB policy, a minimum of monthly contact throughout the duration of training is required, and every contact or interaction with the participant should be case noted. In the event that there has been a lack of regular customer contact, the reason why must be documented. In some case notes there are mentioned points of contact with the participants that are not properly documented in a case note (e.g. attached email documents showing previous contact that wasn't documented, mentions of a previous meeting that wasn't case noted, etc.). This pattern is especially frequent for many OJT participants and for those participating in Direct Placement Services.

2. Recommended Corrective Actions as Stated in the Report

Case managers should ensure every participant file in their case load is reviewed and followed up with regularly. They should initiate monthly contact and not simply rely on the participant to contact them first. This can be done by scheduling time at least once a month to check in on participants. It is encouraged for case managers to give the participants expectations for how frequently they will be contacting them, and scheduling specific times for the next check-in during those meetings.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

WorkHawaii acknowledges this finding and notes that processes supporting monthly participant contact and documentation are currently in place. The issue identified reflects a need to strengthen consistency in documentation and verification, rather than an absence of engagement activities.

WorkHawaii further notes that a list of specific participant files reviewed during monitoring was not provided, limiting the ability to validate the scope of the issue. However, the agency recognizes the importance of ensuring that both engagement and documentation requirements are consistently met.

Current Control Environment

WorkHawaii utilizes HireNet Hawai'i reporting tools to monitor case management activity, including identification of participants in training or individualized services requiring follow-up. These tools support staff in maintaining ongoing engagement and tracking required contact points.

Control Enhancements

To strengthen consistency and auditability, WorkHawaii will implement the following:

I. Targeted Validation Review

- Conduct a focused review of active participant files, prioritizing:
 - Participants in training
 - OJT participants
 - Direct Placement Services participants
- Assess:
 - Whether monthly contact occurred
 - Whether contact is properly documented
 - Whether any gaps reflect service delivery or documentation issues

2. Structured Supervisory Monitoring

- Supervisors will conduct monthly sample reviews of active caseloads to verify:
 - Required contact frequency
 - Timeliness and completeness of case notes
 - Alignment between participant activity and documentation

3. Exception Identification and Resolution

- Any lapse in required monthly contact must include:
 - Documented justification in case notes
 - Supervisor acknowledgment during review

4. Reinforcement of Case Management Standards

WorkHawaii will reinforce that:

- Monthly contact is required for all participants in training or individualized services
- Each interaction must be documented as a separate, timely case note
- Case notes must reflect:
 - Participant status and progress
 - Services provided
 - Barriers identified
 - Planned next steps

Documentation of Monitoring

To ensure accountability and auditability:

- Supervisory reviews will be documented through:
 - Case note entries (e.g., "Supervisor Review Completed- [Date/Initials]"), or
 - A centralized monitoring log tied to file review
- Compliance Team monitoring will maintain tracking logs capturing:
 - Files reviewed
 - Date of review
 - Reviewer
 - Findings and required corrective actions

Outcome

These measures ensure that:

- Participant engagement is consistently verified
- Documentation reflects actual service delivery
- Monitoring activity itself is documented, traceable, and auditable
- Any gaps are identified and corrected in a timely manner

4. Timeframe for Implementation and Completion of Corrective Actions

Within 30 days:

- Conduct targeted validation review of active participant files
- Reinforce staff guidance on case management and documentation standards
- Implement supervisory review documentation method (case note or tracking log)

Within 60 days:

- Complete corrective follow-up and documentation updates for identified files
- Continue supervisory and compliance team review of sampled files

Within 90 days:

- Demonstrate consistent compliance with monthly contact and documentation requirements
- Maintain ongoing supervisory and compliance team monitoring procedures

5. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Compliance Team
- WorkHawaii Title I Program Manager
- WorkHawaii Title I Program Supervisors
- WorkHawaii Title I Program Case Management Staff

Finding #4: Documents in participant files are uploaded late or missing entirely

1. Statement of Finding

For many participant case files, documents required for their eligibility for the program such as their enrollment packet, IEP, On-the-Job Training (OJT) Plan, etc., are uploaded after the start of training. In other cases, these documents including invoices, payment, timesheets, or other supporting documentation for attainment measures such as measurable skills gains and credentials are missing entirely.

For the IEP, there are several case files that either had a case note or an activity that marked the development of an **IEP** as a successful completion, yet have no record of the IEP available on HireNet. Per OWDB's case management policy, "the late submission of participant data is

considered noncompliance with the Agreement entered into with the Oahu Workforce Development Board."

For cases of missing documents, all documents must be uploaded and maintained in a participant's HireNet account. All physical documents should be scanned, uploaded, and shredded afterwards. The lack of documentation, especially for documents required for the provision of an ITA, raises concerns on the validity of participants' enrollment in programs.

2. Recommended Corrective Actions as Stated in the Report

Ensure timely uploading of files. Reconcile participant data regularly to ensure active participants have complete case files and that no documents are missing.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

WorkHawaii acknowledges this finding and notes that controls addressing documentation timeliness and completeness were implemented prior to this monitoring review. The issue identified reflects the need to strengthen consistency in application and verification of these controls, particularly at key authorization points.

WorkHawaii further notes that a list of specific participant files reviewed during monitoring was not provided, limiting validation of the scope of the issue. However, the agency recognizes the importance of ensuring that all documentation requirements are consistently met and fully auditable.

Current Control Environment

WorkHawaii has established supervisory and compliance controls, including:

- Supervisory review of Individual Employment Plans (IEPs) prior to finalization
- Compliance Team review of participant files following intake and enrollment to verify documentation completeness and proper maintenance within HireNet Hawai'i

Control Enhancements

To strengthen authorization controls and documentation integrity, WorkHawaii will implement the following:

1. Pre-Enrollment Authorization Control

- Supervisors will verify that all required eligibility and enrollment documentation is uploaded and complete prior to enrollment approval

2. Pre-Service Authorization Control

- Supervisors will verify that all required service-related documentation is uploaded prior to or concurrent with the initiation of services

3. Targeted Validation Review

- Conduct a focused review of participant files, prioritizing:

- Participants in training
- OJT participants
- ITA-funded services
- Other individualized career services
- Assess:
 - Documentation completeness
 - Timeliness of uploads
 - Alignment between documented activities and supporting records

4. Ongoing File Integrity Monitoring

Supervisory staff and the Compliance Team will conduct periodic sample reviews to ensure:

- Required documentation is present
- Documentation is uploaded in a timely manner
- Documents are properly labeled and linked to corresponding activities

5. Standardization and Reinforcement

WorkHawaii will reinforce that:

- Eligibility and enrollment documentation must be uploaded and verified prior to enrollment
- Service-related documentation must be uploaded prior to or concurrent with service initiation
- Supporting documentation must be uploaded in a timely manner and appropriately linked to system activities
- Standardized document checklists must be used to ensure file completeness

Documentation of Monitoring

To ensure accountability and auditability:

- Supervisory verification will be documented through:
 - Case note entries (e.g., "File Review Completed - Documentation Verified - [Date/Initials]"), or
 - Approval workflows tied to enrollment or service authorization
- Compliance Team monitoring will maintain tracking logs capturing:
 - Files reviewed
 - Missing or late documentation identified
 - Corrective actions taken
 - Date of resolution

Outcome

These measures ensure that:

- No services are initiated without required documentation and authorization
- All participant records are complete, accurate, and audit-ready

- Documentation aligns with actual service delivery and system activity
- Monitoring processes are traceable, consistent, and verifiable

4. Timeframe for Implementation and Completion of Corrective

Actions Within 30 days:

- Conduct targeted validation review of participant files
- Reinforce staff guidance on existing documentation requirements and authorization controls
- Implement standardized documentation of supervisory review (case note or tracking log)

Within 60 days:

- Complete corrective uploads and documentation updates for identified deficiencies
- Continue supervisory and compliance team monitoring of participant files

Within 90 days:

- Demonstrate consistent compliance with documentation timeliness and completeness requirements
- Maintain ongoing supervisory and compliance team monitoring procedures

5. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Compliance Team
- WorkHawaii Title I Program Manager
- WorkHawaii Title I Program Supervisors
- WorkHawaii Title I Program Case Management Staff

Finding #5: Individual Employment Plans appear to be pre-dated or inputted by the case manager.

1. Statement of Finding

Many individual employment plans (IEPs) have dates next to the signature lines that are inconsistent with the attached electronic signature pages which show that documents were sent and signed by the participant and the case manager at a later date. This indicates that participants are being told to sign and not date, or that they are signing pre-filled dates that are inaccurate to the actual time of signing.

In many cases, the dates the electronic signature trail shows the IEP was completed after training has already started. This indicates that the participant started training that was paid for via WIOA without completing an IEP, which is mandatory to start training, per OWDB's Individualized Training Accounts (ITA) policy.

Other IEPs that are signed electronically use the feature that automatically populates the date of which each signature field was signed, including a timestamp. 21 CFR § 11.50 states signed

electronic records shall include the date and time when the signature was executed. IEPs that appear to have dates manually inputted by the case manager often use a different format for the dates and do not include the time. This is an intentional falsifying of documents.

This is the case for an entire cohort where IEPs dated in July 2024 were sent out and electronically signed in August 2025. These individuals are currently attending training from August 2024 to May 2026 and all IEPs follow this pattern. It appears the IEP may have been revisited to update training milestones to include another year due to one case file retaining a wet-signed IEP from 2024, but a vast majority of the files do not retain the original IEP document (if such a document exists as there are no records), and nothing is indicated in the case notes that there was an update to the IEP. Therefore, one can draw the conclusion that these participants started without an IEP.

This practice of pre-dating or having the case manager date afterwards was a finding in PY24 regarding HireNet Hawaii application and eligibility application dates, implying this practice has been ongoing and unresolved in a meaningful matter.

2. Recommended Corrective Actions as Stated in the Report

When sending forms out for signature via an electronic signing platform, ensure that the date field is filled out on the same day as signing. Ensure all documents signed electronically are consistent in including the signature trail for accountability. All IEPs signed via wet signature should be dated on the same day as signing. If corrections or an update to an IEP need to be made while training is on-going there must be justification and documentation showing it was reviewed with the participant again.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

WorkHawaii acknowledges the concern identified and recognizes the seriousness of ensuring the integrity of participant records and authorization processes.

WorkHawaii further notes that specific participant files supporting this finding were not provided for review, limiting the ability to validate the scope and context of the discrepancies described. However, the agency has taken steps to ensure that the conditions described cannot occur under current procedures.

Current Control Environment

WorkHawaii has implemented system-level controls that directly address the risks identified:

- The ability to manually enter or alter signature dates within the electronic IEP process has been eliminated
- All IEPs executed electronically now rely exclusively on system-generated date and time stamps as the official record of execution
- Current procedures require that IEPs are:
 - Completed
 - Reviewed with the participant

- Electronically signed with system-generated timestamps prior to the authorization or initiation of training

As a result, the discrepancies described in this finding are not possible under the current system configuration.

WorkHawaii notes that any inconsistencies observed during monitoring may reflect prior system functionality or legacy practices, which have since been addressed through system and procedural changes.

Control Enhancements

To reinforce authorization integrity and documentation consistency, WorkHawaii will implement the following:

1. Targeted Validation Review

- Conduct a focused review of participant files to assess:
 - Alignment between IEP execution dates and electronic signature audit trails
 - Whether IEPs were executed prior to training initiation
 - Whether any revisions to IEPs were properly documented and supported

2. Pre-Authorization Verification Control

- Supervisory and/or compliance verification will be required to confirm that:
 - A fully completed and signed IEP is on file
 - Execution timestamps align with system records prior to approval or initiation of training services

3. IEP Revision Control

- Any updates to IEPs during participation must include:
 - Documented justification in case notes
 - A revised, signed IEP reflecting updates
 - Clear linkage between original and updated plans

4. Reinforcement of Documentation Standards

WorkHawaii will reinforce that:

- IEPs must be completed and signed prior to training authorization
- System-generated timestamps serve as the official execution record
- Manual date entry is not permitted within the electronic process
- Case notes must document any revisions, participant review, and rationale for changes

Documentation of Monitoring

To ensure accountability and auditability:

- Supervisory verification will be documented through:
 - Case note entries or approval workflows confirming IEP completion prior to training

- Compliance monitoring will maintain tracking logs capturing:
 - Files reviewed
 - Verification of execution timing
 - Any discrepancies identified
 - Corrective actions and resolution dates

Outcome

These measures ensure that:

- Training cannot be initiated without a properly executed IEP
- All IEPs are supported by system-validated, time-stamped records
- Any updates to participant plans are fully documented and traceable
- Documentation integrity is maintained and auditable across all participant files

4. Timeframe for Implementation and Completion of Corrective Actions

Within 30 days:

- Conduct targeted validation review of participant files
- Reinforce staff guidance on current IEP execution and electronic signature procedures
- Implement standardized supervisory verification documentation

Within 60 days:

- Complete documentation updates and case note clarification for any identified discrepancies
- Continue supervisory and compliance team verification prior to training authorization

Within 90 days:

- Demonstrate consistent compliance with IEP execution and documentation requirements
- Maintain ongoing supervisory and compliance team monitoring

5. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Title I Program Manager
- WorkHawaii Title I Program Supervisors
- WorkHawaii Title I Program Case Management Staff

Finding #6: Data input failure results in system closures on participant files.

1. Statement of Finding

There are many cases where a participant's training activity may be closed out due to lack of inputting an actual start date. This often leads to participants soft exiting automatically due to lack of activity or follow-up on the participant file itself if no further action is taken, and this is the case for many files where participants are exiting with no reason given. Often these requirements result in the State taking action to edit case files, which should not be a common

practice. Per OWDB's case management policy, "the late submission of participant data is considered noncompliance with the Agreement entered into with the Oahu Workforce Development Board."

2. Recommended Corrective Actions as Stated in the Report

Input data real-time and daily, ensure data is reconciled for all active participants before the 20-day lockout period.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

WorkHawaii acknowledges the concern identified and notes that processes supporting timely data entry and case management monitoring were implemented prior to this monitoring review. The issue identified reflects the need to strengthen **consistency in data entry practices and verification of system status**, particularly where system triggers may impact participant records.

WorkHawaii further notes that specific participant files supporting this finding were not provided for review, limiting the ability to validate the scope or frequency of the issue. However, the agency recognizes the importance of ensuring that participant records remain accurate, current, and fully aligned with system activity.

Current Control Environment

WorkHawaii utilizes HireNet Hawai'i reporting tools and compliance monitoring to identify:

- Missing or delayed activity start dates
- Gaps in staff activity or case management updates
- Participants at risk of soft exit or unintended system closure

These tools support ongoing oversight and timely correction of participant records.

Control Enhancements

To strengthen data integrity and prevent unintended system outcomes, WorkHawaii will implement the following:

1. Targeted Validation Review

- Conduct a focused review of participant files to identify:
 - Activities closed due to delayed or missing data entry
 - Participants at risk of or affected by unintended system exits
- Verify that participant status accurately reflects:
 - Services provided
 - Current engagement

2. Routine Caseload Reconciliation

- Case managers will conduct regular reconciliation reviews of active caseloads to ensure:

- All required activity data (including start dates) is entered
- Participant records remain current and complete
- No participants are approaching system-trigger thresholds without action

3. Supervisory Monitoring and Oversight

- Supervisors and the Compliance Team will conduct periodic sample reviews to verify:
 - Timeliness of data entry
 - Alignment between services delivered and system records
 - Appropriate follow-up on system alerts and notifications

4. Reinforcement of Data Entry Standards

WorkHawaii will reinforce that:

- Participant activity data, including actual start dates, must be entered in real time or as close to the date of activity as possible
- System alerts and HireNet reports must be actively monitored and addressed
- Responsibility for maintaining accurate and current records rests with assigned staff

Documentation of Monitoring

To ensure accountability and auditability:

- Case manager reconciliation activities will be documented through:
 - Case notes or internal tracking tools
- Supervisory and compliance monitoring will maintain tracking logs capturing:
 - Files reviewed
 - Data entry deficiencies identified
 - Corrective actions taken
 - Resolution dates

Outcome

These measures ensure that:

- Participant records accurately reflect actual service delivery
- System-generated closures and exits are valid and supported
- Data entry gaps are identified and corrected before impacting participant status
- Monitoring processes are consistent, traceable, and auditable

4. Timeframe for Implementation and Completion of Corrective Actions

Within 30 days:

- Conduct targeted review of participant files to identify cases affected by delayed or missing data entry
- Reinforce staff guidance on data entry requirements and use of HireNet Hawai'i tracking tools

- Implement documentation method for reconciliation and supervisory review

Within 60 days:

- Complete corrective updates to affected participant records
- Continue implementation of caseload reconcile and compliance monitoring processes

Within 90 days:

- Demonstrate consistent compliance with real-time data entry requirements
- Maintain ongoing monitoring procedures to prevent unintended system closures

5. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Compliance Team
- WorkHawaii Title I Program Manager
- WorkHawaii Title I Program Supervisors
- WorkHawaii Title I Program Case Management Staff

Finding #7: Participants are not receiving job search assistance according to case notes and activities

1. Statement of Finding

In a vast majority of IEPs, job search assistance is checked off as an activity that the case manager will assist with upon completion of training. However, in most cases, job search is not listed as an activity, nor do case notes document any efforts towards assistance in job search.

2. Recommended Corrective Actions as Stated in the Report

Review IEP regularly, including at the end of the training to ensure all services have been provided. If this is a data entry issue, begin inputting job search activities and case notes detailing any assistance provided.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

WorkHawaii acknowledges the concern identified and recognizes the importance of ensuring alignment between planned services, service delivery, and documentation.

WorkHawaii further notes that specific participant cases supporting this finding were not provided for review, limiting the ability to determine whether the issue reflects a service delivery gap or a documentation gap. However, the agency recognizes the need to ensure that both elements are consistently aligned and auditable.

Current Control Environment

WorkHawaii maintains that job search assistance is an established and required component of service delivery, particularly for participants who have completed training and have not yet obtained employment.

Current monitoring includes:

- Compliance Team review of case notes and activity codes
- Oversight of participant transitions from training to employment
- Verification that services align with the Individual Employment Plan (IEP)

Control Enhancements

To strengthen alignment and auditability, WorkHawaii will implement the following:

1. Targeted Validation Review

- Conduct a focused review of participant files, prioritizing:
 - Participants who have completed training
 - Participants in job search status
- Assess:
 - Whether job search assistance was provided in accordance with the IEP
 - Whether services are accurately reflected in case notes and system activities
 - Whether any identified gaps are related to service delivery or documentation

2. Service-to-Documentation Alignment Control

- Require verification that:
 - All services identified in the IEP are either:
 - Delivered and documented, or
 - Updated in the IEP with appropriate justification

3. Supervisory Monitoring

- Supervisors and the Compliance Team will conduct periodic sample reviews to verify:
 - Alignment between IEP services, service delivery, and documentation
 - Timely entry of job search activities and case notes
 - Ongoing engagement with participants in job search status

4. Reinforcement of Service Delivery Standards

WorkHawaii will reinforce that:

- Job search assistance must be provided to participants following completion of training when employment has not been obtained
- Services must align with the IEP and be reflected in both case notes and system activities
- Case managers must maintain regular contact with participants in job search status
- Responsibility for both service delivery and documentation rests with assigned staff

Documentation of Monitoring

To ensure accountability and auditability:

- Supervisory reviews will be documented through:
 - Case note entries or internal monitoring logs

- Compliance monitoring will maintain tracking logs capturing:
 - Files reviewed
 - Service-to-documentation alignment findings
 - Corrective actions taken
 - Resolution dates

Outcome

These measures ensure that:

- Participants receive all services outlined in their IEPs
- Service delivery is consistently documented and verifiable
- Any discrepancies between planned services and documentation are identified and resolved
- Monitoring processes are consistent, traceable, and auditable

4. Timeframe for Implementation and Completion of Corrective Actions

Within 30 days:

- Conduct targeted validation review of participant files
- Reinforce staff guidance on IEP alignment and documentation of job search activities
- Implement documentation method for supervisory review

Within 60 days:

- Complete corrective follow-up and documentation updates for any identified discrepancies
- Continue supervisory and compliance team monitoring of case notes and activity codes

Within 90 days:

- Demonstrate consistent alignment between IEP services, job search activities, and documentation
- Maintain ongoing supervisory and compliance team monitoring procedures

5. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Compliance Team
- WorkHawaii Title I Program Manager
- WorkHawaii Title I Program Supervisors
- WorkHawaii Title I Program Case Management Staff
- WorkHawaii Title I Business Services Team (for coordination of job placement support, as applicable)

Finding #8: Applicant Statement for Tuition Assistance and Supportive Services appear to be pre-filled

1. Statement of Finding

One case file has an email trail uploaded in documents with communication from the participant to the case manager questioning why the materials in the applicant statement for supportive services were checked off when they did not receive any. They also questioned why the statement certified that they contacted a number of agencies for supportive services when they have never contacted them. The form states that under penalty of jury, the participant is certifying that they have contacted the checked off agencies for the checked off services. This is inconsistent with the participant claims and therefore is a false statement. The case manager replied to this participant's inquiry saying that these concerns would be addressed in their upcoming meeting, although no resolution of these concerns could be found in the case notes.

Participants must demonstrate that they are unable to obtain grant assistance from other sources via this applicant statement. Although this applicant was exited without being enrolled in any training program or receiving assistance in paying for supportive services, this application would have been nulled and could have led to legal consequences as the participant was signing information they deemed to be untrue.

2. Recommended Corrective Actions as Stated in the Report

Ensure all data fields on Applicant Statement for Tuition Assistance and Supportive Services are filled out by the applicant themselves and never by the case manager. Certify that participants have actually contacted the agencies prior to signing the statement with supporting documentation.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

WorkHawaii acknowledges the concern identified and notes that the process referenced in this finding relates to a prior documentation model that has been fully discontinued.

Corrective action was implemented in September 2025, with full implementation in October 2025, prior to this monitoring review.

Current Control Environment

WorkHawaii has eliminated the use of the Applicant Statement for Tuition Assistance and Supportive Services and replaced it with a case manager-driven verification process designed to ensure accuracy, consistency, and auditability.

Under the current process:

- Case managers directly contact partner agencies and funding sources to verify participant eligibility and availability of alternative resources
- All coordination efforts are documented through a standardized Case Manager Verification Form
- Verification is supported by corresponding HireNet Hawai'i case notes, documenting:
 - Agencies contacted
 - Type of assistance explored
 - Outcomes and follow-up actions

- The verification form is maintained in the participant file as the official record of coordination of funds
- Completion of the verification process is required prior to approval of WIOA-funded tuition assistance or supportive services

Embedded Authorization Controls

To further strengthen this process:

- Verification of coordination of funds is incorporated into:
 - IEP approval workflows
 - Purchase Order (PO) approval processes

This ensures that no funds are obligated without documented and verified coordination of alternative resources.

Control Outcome

This revised process:

- Eliminates reliance on participant self-attestation
- Ensures all documentation is based on verified staff activity and system-supported records
- Removes the risk identified in this finding

As a result, the condition described is not possible under the current process.

Additional Reinforcement Measures

To ensure consistency and transparency, WorkHawaii will:

- Reinforce that all participant concerns and questions must be documented in case notes, including:
 - Follow-up actions
 - Resolution of discrepancies
- Ensure documentation clearly reflects communication with participants regarding any corrections or clarifications
- Continue supervisory and compliance monitoring to ensure documentation remains:
 - Complete
 - Accurate
 - Consistent with current procedures

Documentation of Monitoring

- Verification forms maintained in participant files
- Case notes documenting coordination of funds and participant communication
- Compliance monitoring logs capturing:
 - File reviews
 - Documentation completeness

- Corrective actions, if applicable

4. Timeframe for Implementation and Completion of Corrective Actions

Completed (September 2025; fully implemented October 2025):

- Discontinued use of Applicant Statement for Tuition Assistance and Supportive Services
- Implemented case manager-driven verification and documentation process

Within 30 days:

- Reinforce staff guidance on documentation of participant concerns and resolution
- Conduct targeted review of files, as needed, to confirm alignment with current procedures

Ongoing:

- Maintain supervisory and compliance monitoring through IEP and PO approval processes and periodic file review

5. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Compliance Team
- WorkHawaii Title I Program Manager
- WorkHawaii Title I Program Supervisors
- WorkHawaii Title I Program Case Management Staff

Finding #9: Labor Market Information is not properly being provided or explained to the participant

1. Statement of Finding

The One Stop Career Center and the Title I program is mandated to provide Labor Market Information to participants including information about occupations in in-demand industries for the local area. One case had a participant asked to do their own labor market research on a chosen industry when the case manager should be able to guide them through the process themselves.

2. Recommended Corrective Actions as Stated in the Report

Provide labor market information training to staff on how they can review the available resources with job-seekers so they can effectively assist one-stop customers in finding suitable employment in an industry that is either high-demand, growing, or has opportunity for upward mobility.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

WorkHawaii acknowledges the concern identified; however, the specific case referenced was not provided for review, limiting the ability to validate the timing and context of the cited practice.

WorkHawaii notes that assigning independent labor market research without staff guidance is not consistent with current procedures. While participants may be encouraged to explore labor market information as part of their career development, such exploration is intended to occur with staff guidance, interpretation, and discussion.

Current Control Environment

Under current procedures:

- Case managers provide and review LMI directly with participants, including:
 - In-demand industries
 - Wage data
 - Employment outlook
 - Alignment with participant interests and goals
- LMI is incorporated into:
 - Initial IEP development
 - Ongoing case management and training decisions
- LMI discussions are documented in HireNet Hawai'i case notes, including how the information informed participant decision-making

Control Enhancements

To ensure consistency in service delivery and documentation, WorkHawaii will implement the following:

1. Targeted Validation Review

- Conduct a focused review of participant files to assess:
 - Whether LMI is delivered as a staff-guided service
 - Whether LMI is incorporated into IEP development and training justification
 - Whether LMI discussions are consistently documented

2. Service Delivery Standard Reinforcement

WorkHawaii will reinforce that:

- LMI must be delivered as a guided service, not assigned as an independent activity without staff support
- LMI must be integrated into participant decision-making and reflected in the IEP
- Case notes must clearly document:
 - LMI reviewed
 - Discussion with the participant
 - Impact on career and training decisions

3. Supervisory Monitoring

- Supervisors and the Compliance Team will conduct periodic sample reviews to verify:
 - Presence of LMI documentation

- Alignment between LMI discussions and IEP decisions
- Consistency in application across staff

Documentation of Monitoring

To ensure accountability and auditability:

- Case notes will document LMI delivery and participant engagement
- Supervisory and compliance monitoring will maintain tracking logs capturing:
 - Files reviewed
 - Verification of LMI delivery and documentation
 - Any corrective actions taken

Outcome

These measures ensure that:

- Participants receive guided, informed career planning support
- Training and employment decisions are aligned with labor market conditions
- **LMI** delivery is consistently documented and auditable
- Service delivery practices are applied consistently across all participants

4. Timeframe for Implementation and Completion of Corrective Actions

Currently implemented:

- Staff-guided delivery of LMI
- Integration of LMI into IEP development and training decisions
- Documentation of LMI discussions in case notes

Within 30 days:

- Reinforce current procedures and documentation expectations with staff
- Conduct targeted supervisory and compliance team review to ensure consistency

Ongoing:

- Maintain supervisory and compliance team monitoring and periodic file review to ensure continued compliance

5. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Compliance Team
- WorkHawaii Title I Program Manager
- WorkHawaii Title I Program Supervisors
- WorkHawaii Title I Program Case Management Staff

Finding #10: The current Individual Service Strategy template lacks a clear career pathway strategy and linkage to WIOA performance indicators

1. Statement of Finding

The current Individual Service Strategy (ISS) template focuses heavily on the participant's needs and background information, but very minimally goes over the intended outcomes of enrolling in the youth program, which should be linked one or more of the performance indicators indicated by WIOA. This includes continuing on to post-secondary education or gaining employment after exit, obtaining a credential or occupational measurable skills gains, or achieving one's desired wage earnings.

The questionnaire on the first page asks about the applicant's plans post-completion of the program along with their short-term goals and their long-term goals. These questions are open-ended, and do not specify measurable goals pertaining to the outcomes or performance indicators outlined in OWDB's ISS policy.

The section of the ISS that focuses on career pathways is formatted as "interests/training needs" appears limited in choices or information. In addition, this form does not outline a proper "roadmap" as required by OWDB's ISS policy that includes appropriate achievement objectives and services. Although the ISS provides an assessment of needs that may justify supportive services or referrals, those services are not specified. The ISS is also missing a form to fill out prior work experience as part of the assessment process, which is outlined in the ISS policy.

2. Recommended Corrective Actions as Stated in the Report

Revise the current ISS format to be aligned with the requirements outlined in OWDB's ISS policy. Reword open-ended questions to be more specific and guided towards not only assessing a participant's needs, but assessing their expected goals, achievements, and outcomes that will lead to continuing education or employment post-program exit, or any of the other WIOA performance indicators.

3. Corrective Actions Taken or Planned by the Agency to Address the Finding

WorkHawaii acknowledges this finding and notes that while career planning, service delivery, and outcome tracking are currently addressed through a combination of ISS development, case notes, and ongoing case management, the existing ISS template does not consistently capture these elements in a **structured and measurable format**.

This finding represents an opportunity to strengthen **program design, documentation consistency, and performance alignment**.

Current Control Environment

- Participant needs, goals, and services are documented through:
 - ISS development
 - Case notes
 - Ongoing case management

- Outcome tracking and service alignment occur operationally; however, these elements are not consistently reflected in a standardized format within the ISS document itself

Control Enhancements

To strengthen alignment, measurability, and auditability, WorkHawaii will implement the following:

I. ISS Template Redesign

The ISS will be revised to include:

- Direct alignment with WIOA performance indicators, including:
 - Employment or placement in education/training
 - Credential attainment
 - Measurable skills gains
 - Wage outcomes, as applicable
- Structured Career Pathway Framework, including:
 - Defined participant goals
 - Milestones and timelines
 - Planned services and interventions
 - Expected outcomes
- Measurable Goal Setting, requiring:
 - Specific objectives
 - Defined timelines
 - Indicators of success
- Expanded Assessment Components, including:
 - Prior work experience
 - Education and training history
 - Barriers to employment
 - Supportive service needs
- Service Alignment Fields, clearly linking:
 - Assessment findings
 - Planned services
 - Expected outcomes

2. ISS Addendum Process

WorkHawaii will implement an ISS Addendum process to ensure that the ISS remains a living document, including:

- Documentation of updates to goals, services, and career pathways
- Justification for changes
- Confirmation that updates were reviewed with and agreed upon by the participant
- Maintenance of a clear, auditable record of plan progression

3. Governance and Review Controls

Supervisory and compliance controls will be incorporated into the ISS process, including:

- Initial review to verify completeness and alignment prior to service approval
- Ongoing review to ensure alignment between:
 - Assessment
 - Services
 - Outcomes
- Consistency with Adult and Dislocated Worker IEP procedures, ensuring alignment across programs

4. Staff Training and

Implementation

WorkHawaii will:

- Provide staff training on the revised ISS template and requirements
- Reinforce expectations for measurable goal setting and documentation
- Ensure consistent application across all case management staff

Documentation of Monitoring

To ensure accountability and auditability:

- ISS review and approval will be documented through supervisory sign-off or tracking mechanisms
- Compliance monitoring will maintain logs capturing:
 - ISS reviews conducted
 - Alignment with performance indicators
 - Identified gaps and corrective actions

Outcome

These measures ensure that:

- Participant plans are structured, measurable, and outcome-driven
- Services are clearly aligned with participant goals and WIOA performance indicators
- Progress and updates are documented, traceable, and auditable
- Program design supports consistent, high-quality service delivery across participants

4. Timeframe for Implementation and Completion of

Corrective Actions Within 30 days:

- Review OWDB ISS policy requirements and identify necessary template enhancements
- Begin development of revised ISS template

Within 60 days:

- Finalize and implement revised ISS template
- Provide staff training on updated ISS structure and requirements

Within 90 days:

- Achieve full implementation of revised ISS template
- Begin supervisory and compliance team review of ISS documents

5. Person(s) Responsible to Carry Out the Corrective Actions

- WorkHawaii Division Administration
- WorkHawaii Compliance Team
- WorkHawaii Title I Program Manager
- WorkHawaii Title I Program Supervisors
- WorkHawaii Title I Program Case Management Staff

