A Guide to Corrective Action Plans or Narratives for Data Validation

Introduction. When a Data Validation (DV) requirement has not been met during a validation year, the state must address that deficiency as part of a Corrective Action Plan (CAP) or narrative of the State Quality Service Plan (SQSP) for the following fiscal year. This brief guide is intended to help Regional Office DV and SQSP coordinators and state validators formulate that corrective action response for failures to pass one or more DV populations. Other DV requirements—validating quality samples (Module 4) and Wage Items (Module 5) or certifying that Module 3 has been updated—are much more straightforward and corrective action steps should be easier to identify.

What are the Components of a CAP? A good CAP, whether stated formally as a CAP or as part of a narrative, comprises the following four elements:
1. Status: What is the state's status with respect to the process to be completed or the performance target to be achieved?
2. Diagnosis: What accounts for the level of performance, or the process stopping at a step short of complete, at the end of the performance period?
3. Prescription and Resource Requirements: What must be done to achieve targeted performance or to complete the remaining steps in the process, and what are the resources required?
4. Schedule: What is the targeted time frame for attaining a performance target or completing the process?

Steps in the DV Process. Passing a DV population means successfully completing the series of steps that every validation requires. Briefly, these are the DV steps:

1. Update Module 3. Module 3 is the roadmap for both validators and programmers. For each data element in a DV population extract record Module 3 gives the Federal reporting definitions and the rules that indicate where it should be found or constructed to be consistent with that Federal reporting guidance. The state supplies the actual location within its management information system. The new Web-based software allows the state validators to update their Benefits and Tax Module 3 themselves and gives them the vehicle for certifying annually that Module 3s are up to date.
2. Build Extract File. Guided by Module 3 definitions, the record layout and Appendix A of the handbook, programmers build the extract file. Most extract files involve multiple versions.
3. Test the extract file. This is the most time-consuming portion of DV for validators and programmers as they work together to ensure that the file is built correctly from data elements that all satisfy DOL reporting requirements.

a. <u>Resolve error records.</u> The DV software rejects as errors records that have syntax errors (incorrectly formatted or missing elements) and logic errors (usually combinations of elements that prevent the software from assigning the record to a subpopulation). These must be resolved by (a) eliminating the records that are not countable transactions (e.g., the transaction date indicates the record belongs in another reporting period) or (b) correcting the way countable records are built.

   i. *Corrective Action*: This may take several iterations of building the extract file.

b. <u>Investigate Samples.</u> After resolving error records, the validator must investigate samples of transactions using Module 3 as a guide to ensure that the records are built from elements that satisfy reporting requirements. Only random samples in Benefits are used to attest that the file is built from proper data, although the "nonrandom" samples—missing subpopulations, minimum samples for less-important subpopulations, or outliers—help the state validator and programmer assess whether the file is accurate overall. Tax has only minimum samples--2 records per subpopulation—for this phase, and all must pass or the extract file must be rebuilt.

   i. *Corrective Action*: This may involve rebuilding the extract file or making corrections to the state's MIS database, or both.

c. <u>Conduct Sort Tests (Tax).</u> Tax supplements its small samples with "sorts" for Populations 1-4. These are tests—if applicable, many are not--to determine whether classifying variables in the extract file, such as "Contributory" or "Reimbursing" employer or "New" or "Successor" status determinations are supported by secondary codes in the state's management information system.

   i. *Corrective Action*: This may involve rebuilding the extract file or making corrections to the state's MIS database, or both.

4. <u>Conduct Report Validation (RV).</u> If the extract file passes all the tests above, it is built correctly from proper data elements and can be used as the standard against which reported counts can be judged in the RV phase. Its only possible weakness is that it might not include all countable transactions.

   a. If reported counts are within the appropriate tolerance (±1% for elements used for GPRA indicators; ±2% for all others) the population passes.

      i. *Corrective action*: Not needed!

   b. If some of the reported counts are *smaller* than the validation counts from the extract file, the problem lies with the software that produces the reported counts.

      i. *Corrective Action*: Fix reporting software to bring it into line with DV results.

   c. If the RV phase fails because reported counts are *larger* than the validation counts, the problem could (but is not likely to be) that the extract file is not missing some transactions.

i. *Corrective Action*: State may want to test to ensure that extract file includes all reportable transactions before fixing reporting software to bring it into line with DV results.

Tracking Tables to Facilitate the CAP/Narrative Process: The validation of Benefits and Tax Reports. The tables below present the steps outlined above for every Benefits and Tax Population in table form   Populations that the state has passed (or are not due) for the Validation Year can be checked off or eliminated. The step boxes for other populations will indicate where the population's progress stopped and dates for accomplishing incomplete steps can be inserted in the appropriate box.

State:			Status of Benefits Data Validation for VY ____						Date:
Population	*Update Module 3*	*Build Extract File*	*Test Extract File*			*Analyze RV Discrepancies*	*Fix Reports, Report Software*	*SQSP CAP or Narrative*	*Comments*
			Resolve Errors	*Investigate Random Samples*	*Investigate Nonrandom Samples*				
1 – Weeks Claimed	Steps 1, 2, 4, 5, 11			100 110	120				
2 – Final Payments	Steps 1, 2, 4, 7, 9, 10			200	None				
3 - Claims	Steps 1, 2, 3, 4, 5, 6, 7, 8			300 315 320	301 305 310 321 325 330				
3a – Additional Claims				350	360				
4 - Payments	Steps 1, 2, 4, 5, 10, 12, 13, 14			400 420 435	405 410 415 425 430 440 445 450				

5 – Nonmonetary Determinations	Steps 1, 2, 4, 5, 16, 17, 18, 19, 20, 21, 23			500 520	501 505 510				
6 – Appeals Filed, Lower	Steps 1, 24, 25, 32				600				
7 – Appeals Filed, Higher	Steps 1, 24, 25, 32				700				
8 – Appeals Decisions, Lower	Steps 1, 2, 4, 5, 24, 25, 26, 27, 28, 30, 31, 32			800	810 820				
9 – Appeals Decisions, Higher	Steps 1, 2, 4, 5, 24, 25, 26, 27, 28, 30,32			900	910 920				
10 – Appeals Pending, Lower	Steps 1, 24, 29, 30, 32				1000				
11 –Appeals Pending, Higher	Steps 1, 24, 29, 30, 32				1100				
12 – Overpayments Established	Steps 1, 4, 33, 34, 35, 36, 37			1200	1210 1220				
13 – Overpayments Reconciliation	Steps 1,4, 33, 38, 39, 40			1300	1310 1320				
14 – Overpayments Case Aging	Steps 1, 4, 36, 40, 41, 42, 43, 44			1400	1410 1420				

State:		Status of Tax Data Validation for VY____						Date:	
Population	**Update Module 3**	**Build Extract File**	**Test Extract File**			**Analyze RV Discrepancies**	**Fix Reports, Report Software**	**SQSP CAP or Narrative**	**Comments**
			Resolve Errors	*Investigate Minimum Samples (FIV)*	*Complete DEV Sorts*				
1 – Active Employers	Steps 1, 2, 3, 5, 7, 14, 15, 16				S1.1 S1.2 S1.3 S1.4 S1.5				
2 – Report Filing	Steps 1, 2, 4, 5, 6, 8, 9, 10, 14				S2.1 S2.2 S2.3 S2.4				
3 – Status Determinations	Steps 1, 2, 6, 11, 12, 13, 14, 15, 16, 17, 18				S3.1 S3.2 S3.3 S3.4				
4 – Accounts Receivable	1, 2, 19, 20, 21, 22, 23, 24, 25, 26, 27				S4.1 S4.2 S4.3				
5 – Field Audits	Steps 1, 28, 29, 30, 31, 32, 33								

Modules 4 and 5. This document emphasizes the core part of DV, the reports validation part. However, states must also validate--although in a simpler way--six quality reports (called Module 4 validations) and Wage Items (Module 5 validation) on a 3-year cycle. The following tables summarize the relevant steps for those validations so that they can also be addressed in CAPs or narratives.

State:		Status of Module 4 Validations for VY____							Date:	
Quality Sample	*Check Sample Size from Workload, Missing Cases in Previous Qtr*	*Obtain Sampling Universe File*	*Test for Correct sample Size, Randomness (Done before sample investigation)*	*Obtain Report Counts used for Comparison*	*Adjust to Sampling Frame or Report Counts to Compare Equally*	*Compare Sampling Frame Counts with Report Benchmark Counts*	*Diagnose Discrepancies >±2%;*	*Fix Reports or Sampling Frame, or Report Software as Part of SQSP CAP or Narrative*	*Comments*
Benefits—Nonmonetary Determinations	Separations Nonseps	Separations Nonseps	Separations Nonseps	Separations Nonseps	N/A		Separations Nonseps	Separations Nonseps	
Benefits—Lower Authority Appeals	N/A								
Tax--New Status Determinations	N/A – always 60 cases				N/A				
Tax--Successor Status Determinations	N/A – always 60 cases				N/A				
Tax—Inactivations/ Terminations Status Determinations	N/A – always 60 cases								
Tax—Field Audits	N/A – always 60 cases				N/A				

State:		Status of Module 5 Validations for VY____							Date:
Mode	*Obtain Sample Wage Records for Each Mode*	*Investigate Stage 1 Sample and take Validation Count*	*Compare with Number Counted in Database*	*Investigate Stage 2 Wage Records and take Validation Count (if needed)*	*Compare with Number Counted in Database*	*Diagnose Cause of Discrepancies > cutoff values for Stage 1 or Stage 2*	*Draft Corrective Action to Fix Problem*	*Fix Problem as Part of SQSP CAP or Narrative*	*Comments*
1-									
2-									
3-									
4-									
5-									
6-									