

Southwest Iowa Workforce Development Board

Firewall Policy

Date Adopted: January 24, 2022

Effective Date: January 24, 2022

Purpose

The purpose of this policy is to provide guidance in the commitment of the Southwest Iowa Workforce Development Board (SWIWDB) to the highest level of system integrity and the appropriate oversight of the Workforce Innovation and Opportunity Act (WIOA) and the American Job Center's (AJC), in order to comply with federal, state, and local laws and regulations. In addition, the purpose of the policy is to establish a "firewall" in the event of a conflict of interest.

Definitions

Conflict of Interest - an employee, officer, agent, or any member of the organization that has an interest in a financial gain or tangible benefit and who participates in the selection, award, or administration of a contract supported by a federal award.

Firewall - an established policy or procedure that acts as a barrier or protection against an undesirable influence, outcome, or authority. Examples of firewalls include but are not limited to organizational arrangements that provide clear separation of duties and responsibilities, reporting hierarchy of managers and staff that provide clear separation between job duties and responsibilities, and conflict of interest/confidentiality/disclosure agreements.

Background

The possibility that a conflict of interest may arise is inherent when entities are performing, or seeking to perform multiple functions within the workforce development system. To ensure conflict of interest is minimized, no single organization or entity may perform multiple roles within the one-stop delivery system, including fiscal agent, one-stop operator, direct provider of career services and/or youth workforce investment activities, and/or staff to the board. However, a single organization or entity may perform the roles of both the one-stop operator and direct provider of career services and/or youth workforce investment activities.

Proper firewalls must be in place to ensure a complete separation of duties. Firewalls must also be in place to ensure the transparency and integrity of staff fulfilling multiple roles and multiple functions. Organizations performing the functions of one-stop operator and direct provider of career services and/or youth workforce investment activities must have adequate organizational separation between and among those functions; separate staff must perform the duties of each function.

Any organization or entity that has been selected to perform the functions of one-stop operator and direct provider of career services and/or youth workforce investment activities in a Local Workforce Development Area must develop a written agreement with the Local Workforce Development Board (WDB) and the Chief Lead Elected Official (CLEO) to clarify how the organization will carry out its responsibilities while demonstrating compliance with:

- The Workforce Innovation and Opportunity Act, and corresponding regulations
- Uniform Guidance
- Conflict of interest policies of the SWIWDB and state, in accordance with *Conflict of Interest*
- Conflict of interest policies of the organization or entity performing multiple functions

Policy

The SWIWDB staff and Members, One-Stop Operators, service providers and fiscal agent must act solely in the best interest of the community without regard to personal interest and must not participate in matters in which they have a disqualifying financial interest. Identifying and resolving conflict-of-interest is crucial to good governance and maintaining trust in the publicly funded workforce system. A conflict-of-interest policy has been developed and will be signed by all board members, CLEOS, board staff, fiscal agent, contractors, and sub-recipients' staff to ensure that individuals or representatives of organizations entrusted with public funds will not personally or professionally benefit from the award, administration, or expenditure of such funds.

Firewall Guidelines

- The appropriate role of fiscal agent is limited to accounting and funds management functions rather than policy or service delivery as per Title 2 CFR § 679.420.
- The one stop operators and the Title I Adult, Dislocated Worker and Youth providers fulfill two distinct and separate roles within the local AJC system. These roles may be filled by the same entity or different entities based on what the Local Board determines is best for meeting the needs of its customers and demographic area, but the roles must be clearly articulated as part of the competitive procurement and selection processes.
- Service providers of Title I, Adult, Dislocated Worker and Youth Direct Services will report complaints and any concerns or issues relating to conflicts of interest with one stop operators directly to SWIWDB staff and bypass the one stop operators.
- One stop operator will report any complaints and concerns or issues relating to conflicts of interest with the Title I Adult, Dislocated Worker and Youth direct service providers directly to the SWIWDB staff and bypass the direct services provider.
- SWIWDB will be responsible for all conflicts of interest oversight and monitoring activities including but not limited to imposing separation of duties and/or functions among individuals and entities that are parties to this policy and restriction of access to physical and electronic information.
- SWIWDB members will be required to recuse themselves from any vote where a conflict of interest exists. In the event of a conflict of interest with SWIWDB staff, such person will not be involved in any selection process, meetings or discussions.
- All complaints and conflicts will be shared with the SWIWDB executive director (or designee)

and SWIWDB chair. In the event that the complaint or conflict involves the SWIWDB staff, the SWIWDB chair will communicate with the SWIWDB executive committee.

- In the event that the complaint or conflict involves the SWIWDB chair, the SWIWDB staff will communicate with the SWIWDB vice-chair or other SWIWDB executive committee member.
- In the event that a SWIWDB member recuses themselves from a vote at a public board meeting, causing a quorum vote to not be met, the item will be tabled until a future meeting. If this occurs at a SWIWDB executive committee meeting, the item will be included on the SWIWDB agenda at a subsequent meeting. If there is an instance where the SWIWDB does not have a quorum vote due to a recusal then the item will be tabled and added to a future agenda for further discussion and vote.
- Members of SWIWDB shall comply with the local Conflict of Interest and Code of Conduct policies.

One Stop Operators

- Local Boards must select their one stop operators through a competitive process at least once every four years (WIOA Section 121[d][2] [. As part of that competitive process,
 - Local Boards are required to clearly articulate the expected role(s) and responsibilities of the one stop operators (Title 20 CFR Section 678.620[a]).
 - When selecting a one stop operator, Local Boards are required to fully adhere to the federal procurement standards outlined in Uniform Guidance Sections 200.318-200.326, as well as their local procurement policies.
 - Local Boards who use a third party to conduct the competitive process must create firewall in its procurement policy that only allows the Local Board to contribute the necessary and relevant federal, state, and local procurement requirements to the third party for them to conduct the competitive process.
- Operators are selected through a competitive procurement process and can either be a single agency or a consortium that includes, at a minimum, three or more AJC partners.
- When a single entity operates in more than one of the following roles including but not limited to one-stop operator, or direct service provider, it is required that such agency adhere to the policy set forth in this document.
- The role and responsibilities of the one stop operator includes the following:
 - Coordinating the service delivery of required AJC partners and service providers.
 - Ensuring the implementation of partner responsibilities and contributions agreed upon in the Memorandum of Understanding (MOU).
 - Provide reports to the SWIWDB on operations, performance and continuous quality improvement recommendations. Operators may be asked to take on additional tasks as directed by the SWIWDB.
 - Implement local SWIWDB policies.
 - Adhere to all applicable federal and state guidance.
- One stop operator must adhere to the following:
 - Disclose any potential conflicts of interest arising from the relationships of the one stop operator with particular training service providers or other service providers in accordance with Uniform Guidance as per Title 20 CFR §200.318.
 - Will not establish practices that create disincentives to providing services to

individuals with barriers to employment who may require longer-term services, such as intensive employment, training, and education services.

- Comply with the federal regulations and procurement policies relating to the calculation and use of profits outlined in Uniform Guidance.
- Adhere to WIOA Title I subtitle E § 679.430 to ensure appropriate firewalls within a single entity performing multiple functions, including when a fiscal agent also functions as a provider of services.

Title I Adult and Dislocated Worker Service Providers

- Local Boards are responsible for identifying eligible Adult and Dislocated Worker service providers. If a one stop operator wishes to also serve as the Adult and Dislocated Worker service provider, they must have appropriate firewalls in place between the staff providing services, and the staff responsible for oversight and monitoring of services, The firewalls must conform to Title 20 CFR Section 679.430 for demonstrating internal controls and preventing conflicts of interests.
- Title I Adult and Dislocated Worker service provider will recruit, provide orientation, conduct comprehensive assessments, screening and determine WIOA eligibility for a minimum number of eligible participants to be enrolled and ensure that participants are on track to achieve program outcomes as outlined in WIOA (Public Law 113-128).
- The role of the Title I Adult and Dislocated Worker Career Services Provider includes:
 - Providing basic career services including but not limited to participant intake, orientations, initial assessments, employment services, and referrals to other partners and services.
 - Providing individualized career services including but not limited to comprehensive and specialized assessments, case management, individual employment plans, training, and career planning.
 - Report to the SWIWDB on operations, performance and continuous improvement recommendations
 - Adhere to all applicable federal, state and local guidance

Title I Youth Service Providers

- Title I Youth Service Providers are selected through a competitive procurement process.
- Title I Youth Service Providers responsibilities include:
 - Recruit, provide orientation, conduct comprehensive assessments, screening and determine WIOA eligibility for a minimum number of eligible youths to be enrolled and ensure that enrolled youth are on track to achieve program outcomes as outlined in WIOA (Public Law 113-128) Section 129(a)(1); Training and Employment Guidance Letter (TEGL) 21-16, Third
 - Program activities must comply with SWIWDB contract and with associated guidance from the Department of Labor and Iowa Workforce Development.
 - Local area youth service providers are required to provide at least one of the 14 program elements for initial enrollment / participation into the WIOA Youth services program. Contractors must make available, but are not required to provide all 14 elements to each youth participant. Each youth is to receive all services directly

relevant to his/her needs. Local area youth service providers have the flexibility to determine what specific services a youth will receive based upon the youth's assessment and service strategy.

Fiscal Agent

The fiscal agent as appointed by the SWIWA CLEO per 2 CFR § 679.420, the fiscal agent responsibilities include:

- Receive funds.
- Ensure sustained fiscal integrity and accountability for expenditures of funds in accordance with Office of Management and Budget circulars, WIOA and the corresponding Federal Regulations and State policies.
- Respond to audit financial findings.
- Maintain proper accounting records and adequate documentation.
- Prepare financial reports.
- Provide technical assistance to sub recipients regarding fiscal issues.

In Southwest Iowa, the fiscal agent also:

- Enters into contracts with sub-recipients and contractors
- Manages financial monitoring of all sub-recipients/contractors and issues monitoring reports

SWIWDB Staff:

The SWIWDB board staff exist in an organization separate and distinct from the organization that acts as the fiscal agent, one stop operator and/or service provider. Per 2 CFR § 679.370, the Local Workforce Development Board, through the SWWDB staff, responsibilities include:

- SWIWDB staff coordinates between the SWIWDB and partners in the workforce system in Southwest Iowa.
- SWIWDB staff acts as the liaison between the SWIWDB and AJCs.
- SWIWDB staffs all SWIWDB board meetings; taking minutes, developing agendas, and writing reports.
- SWIWDB staff coordinates efforts between education, industry, economic development, labor unions and community-based organizations.
- SWIWDB staff writes grant applications, state reports, local and regional plans, and any necessary document that is required by the state of Iowa and SWIWDB.
- SWIWDB staff ensures that all necessary local policies are updated and circulated to all partners.
- SWIWDB staff assists in policy development.
- Per 2 CFR § 679.370, SWIWDB staff engage in the monitoring of service delivery contracts and sub-awards to ensure funds are used in accordance with regulations and approved budgets.
- In partnership with the Chief Elected Official:
 - Conduct oversight of youth workforce investment activities authorized under WIOA sec. 129(c), adult and dislocated worker employment and training activities under

- WIOA secs. 134(c) and (d), and the entire one- stop delivery system in the local area.
- Ensure the appropriate use and management of the funds provided under WIOA subtitle B for the youth, adult, and dislocated worker activities and one-stop delivery system in the local area.
- Ensure the appropriate use management, and investment of funds to maximize performance outcomes under WIOA sec. 116.
- Support the competitive bidding process for providers of the youth workforce investment activities, training services, career services and One-Stop Operator(s).

Monitoring and Oversight

SWIWDB staff and fiscal agent conducts monitoring and performs oversight of all local WIOA Title I-B grant subrecipients and contractors. SWIWDB staff/fiscal agent, in turn, receives oversight from a standing committee of the Board. Monitoring and oversight includes evaluating and monitoring subrecipients' and contractors' compliance with federal laws, regulations, and policy, as well as state and local policy.

Programmatic Monitoring

Programmatic monitoring of all WIOA Adult, Dislocated Worker, Youth and one stop operator subrecipients and contractors is performed by SWIWDB staff. The Operations Committee oversees the monitoring activities of the SWIWDB staff to the Board. At least once each program year, SWIWDB staff presents a report containing a summary of all WIOA Adult, Dislocated Worker and Youth programmatic monitoring findings (including the status of findings), areas of concern, and promising practices from the previous program year, broken down by subrecipient and contractor, to the Operations Committee. The Committee has the opportunity to ask questions about the report and make recommendations to SWIWDB staff and/or the full Board. The report and resulting discussion are documented in the Committee meeting minutes.

Financial Monitoring

Financial monitoring of all WIOA Adult, Dislocated Worker, Youth and one stop operator subrecipients and contractors is performed by the fiscal agent staff as directed by the SWIWDB. The Executive and Finance Committee oversee the monitoring activities of the fiscal agent staff. At least once each program year, fiscal agent staff presents a report containing a summary of all Financial monitoring findings (including the status of findings), areas of concern, and promising practices from the previous program year, broken down by subrecipient, to the Executive and Finance Committee. The Committees have the opportunity to ask questions about the report and make recommendations to fiscal agent staff and/or the full Board. The report and resulting discussion is documented in the Executive and Finance Committee meeting minutes.

Equal Opportunity Programs/Employer – Auxiliary aids and services available upon request for individuals with disabilities