

**WIOA Policy xxxx****DATE: 11/12/2020****SUBJECT: BCW|Workforce Firewall and Internal Controls Policy****I. Purpose**

According to 20 CFR §679.430, any organization that has been selected or otherwise designated to perform more than one principal function within a local workforce investment system must develop a written agreement with the Local Workforce Development Board and Chief Elected Official(s) to clarify how the organization will carry out its responsibilities while demonstrating compliance with Workforce Innovation and Opportunity Act (WIOA) and corresponding regulations, relevant Office of Management and Budget (OMB) circulars, and the State's conflict of interest policy.

Ohio's BCW|Workforce Development Area (LWDA-12) is a three-county jurisdiction, operated by the Workforce Investment Board of Butler|Clermont|Warren (WIBBCW).

On July 10, 2020, Butler County DJFS, as the lead entity for the OMJ | BCW Consortium of Counties, was selected to act as the OhioMeansJobs Workforce Development System Operator. Each county within the Consortium has been awarded a sub-subgrant for the WIOA Title I Adult and Dislocated Worker Career Services Provider for the comprehensive OhioMeansJobs One-Stop Center in Fairfield, Ohio (OMJ|Butler), managed by Butler County DJFS, the affiliate OhioMeansJobs One-Stop Center in Batavia, Ohio (OMJ|Clermont), managed by Clermont County DJFS and the affiliate OhioMeansJobs One-Stop Center in Lebanon, Ohio (OMJ|Warren), managed by the Warren County Board of Commissioners.

This policy outlines the firewalls and internal controls that have been established to demonstrate compliance with [WIOA and corresponding regulations](#), relevant [OMB circulars](#), and the [State of Ohio's conflict of interest policy](#). This policy may be incorporated into a written, intergovernmental agreement with the WIBBCW and the BCW|Workforce Area's Chief Elected Officials (CEOs).

**II. Definitions<sup>1</sup>****A. The BCW|Workforce Area**

**B. Operations Staff** to the Board assist the Chief Elected Officials and the Board in carrying out these activities.

**C. The Board:** The Workforce Investment Board of Butler|Clermont|Warren, subject to WIOA Sec. 107(c)(4)(B)(i) and whose functions are listed in Sec. 107(d) and included for reference in Attachment B.

**D. Chief Elected Official:** Chief Elected Official, as defined at WIOA Sec. 3(9), means

- a. the chief elected executive officer of a unit of general local government in a local area; and

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<sup>1</sup> <https://emanuals.jfs.ohio.gov/Workforce/WIOA/WIOAPL/WIOAPL-16-08.stm>

- b. in a case in which a local area includes more than 1 unit of general local government, the individuals designated under the intergovernmental agreement described in [WIOA] section 107(c)(1)(B).

**E. Fiscal Agent:** The role of the Fiscal Agent is described at WIOA Sec. 107(d)(12)(B)(II), and its functions are listed at 20 CFR §679.420 and included for reference in Attachment B. In order to assist in administration of the [WIOA] grant funds, the chief elected official...may designate an entity to serve as a local grant subrecipient for such funds or as a local fiscal agent.

**F. The BCW|Workforce System:** The OMJ Workforce Services Delivery System

**G. Consortium:** One of the entities eligible to bid for a WIOA One-Stop System Operator contract. The Operator may be a public, private or non-profit entity or a consortium of entities (located in the local workforce area).

If a partner is serving as part of a consortium, the consortium must include at least three local partner entities.

If a local fiscal agent, local partner, consortium that includes three or more local partners, or direct provider of services are competitively selected to serve as the Operator, or if the Operator will serve a dual role as a provider of WIOA Title I Adult and Dislocated Worker career services, the selected entity must execute a written agreement with the local WDB and CEO, per 20 C.F.R. 679.430 and WIOAPL 15-18.1, that clarifies the manner in which the selected entity will fulfill each role and separate responsibilities to remain in compliance with WIOA, the WIOA Final Rules, the Uniform Guidance, and with state and local conflict of interest policies. The agreement must include a table of organization to demonstrate a clear separation between those responsible for carrying out program activities from those responsible for oversight.

When there is uncertainty as to whether a conflict exists or whether policies and procedures will effectively address any conflicts, Local WDBs may submit requests for opinions to the Ohio Ethics Commission and/or to the Ohio Attorney General. Ohio Ethics Commission Advisory Opinions, Ohio Attorney General Opinions, and instructions on how to request opinions can be found on their websites:

<http://www.ethics.ohio.gov/advice/> and <http://www.ohioattorneygeneral.gov/About-AG/Organizational-Structure/Opinions.aspx>.

**H. WIOA:** The Workforce Innovation and Opportunity Act of 2014.

### III. Organizational Firewalls

Organizational firewalls serve to separate the Consortium's functions and staff reporting relationships from the BCW|Workforce's entities that handle governance, policy, coordination, administration, monitoring, oversight, and program services.

**A. Governance Activities:** BCW|Workforce Area governance activities are activities related to the organization of the Board and the one-stop delivery system; identification and selection of one-stop operator(s), providers of workforce

investment activities, and providers of training services; negotiation of local performance accountability measures; negotiation of the local area MOU among one-stop system partners; development of a budget for the Local Workforce Development Area; and development of the local and regional plans. The BCW|Workforce's Operations staff to the Board assist the Chief Elected Officials and the WIBBCW in carrying out these activities.

- B. Policy:** The BCW|Workforce Operations staff to the Board conducts workforce research and makes recommendations on policy and proven and promising practices to the Board based on that research.
- C. Coordination Activities:** The BCW|Workforce Operations staff to the Board assists the Board in convening, brokering, and leveraging stakeholder resources; engaging employers; and coordinating with education providers.
- D. Administration:** The BCW|Workforce Operations' Fiscal Agent manages WIOA Title I-B funds and other workforce development funds as the local grant subrecipient. Fiscal Agent functions are listed in Attachment B.
- E. Monitoring and Oversight:** The BCW|Workforce Operations staff conduct monitoring and performs oversight of all local WIOA Title I-B grant subrecipients. BCW|Workforce Operations, in turn, receives oversight from a standing committee of the Board. For purposes of monitoring and oversight, all certified, local Career Centers managed by other entities, including other one-stop system partners, are considered to be local grant subrecipients. Monitoring and oversight include evaluating and monitoring subrecipients' compliance with federal laws, regulations, and policy, as well as state and local policy.
1. Programmatic monitoring of all WIOA Title I Adult and Dislocated Worker subrecipients is performed by the BCW|Workforce Operations staff to the Board. The WIBBCW Governance Committee oversees the monitoring activities of the Operations staff to the Board. Once each program year, Operations staff to the Board presents a report containing a summary of all WIOA Title I Adult and Dislocated Worker programmatic monitoring findings (including the status of findings), areas of concern, and promising practices from the previous program year, broken down by subrecipient, to the Governance Committee. The Committee will have the opportunity to ask questions about the report and make recommendations to the Operations staff and/or the full Board. The report and resulting discussion will be documented in the Governance Committee meeting minutes.
  2. Programmatic monitoring of all WIOA Youth subrecipients is performed by the BCW|Workforce Operations staff to the Board. The WIBBCW Emerging Workforce Committee oversees the monitoring activities of the Operations staff to the Board. Once each program year, the Operations staff to the Board presents a report containing a summary of all WIOA Youth programmatic monitoring findings (including the status of findings), areas of concern, and promising practices from the previous program year, broken down by subrecipient, to the Emerging Workforce Committee. The Committee will

have the opportunity to ask questions about the report and make recommendations to the Operations staff and/or the full Board. The report and resulting discussion will be documented in the Emerging Workforce Committee meeting minutes.

3. Financial monitoring of all WIOA Title I Adult, Dislocated Worker, and Youth subrecipients is performed by the BCW|Workforce's sub-contracted Fiscal Agent staff. The WIBBCW Budget & Finance Committee oversees the monitoring activities of the BCW|Workforce Operations Fiscal Agent staff. At least once each program year, Operations' 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 Budget & Finance Committee. The Committee will have the opportunity to ask questions about the report and make recommendations to the Operations' Fiscal Agent staff and/or the full Board. The report and resulting discussion will be documented in the Budget & Finance Committee meeting minutes.

**F. Operator:** If the OMJ Workforce System Operator is a Consortium of Organizations, a “matrix organizational structure” shall be created<sup>2</sup>, where a *functional* reporting relationship will establish a connection between different management levels, based on the employee's Administrative, Operational and/or Career Service responsibilities.

As such, the Consortium's Administrators will report to their respective county's Board of Commissioners and; the Consortium's combined OMJ System Director of Operations/Job Seeker Solutions Intermediary, and Career Improvement Intermediary will *functionally* report to the BCW|Workforce Executive Director and *formally* report to a higher-level manager from their respective employer organization.

*Functionally*, the OMJ System Director of Operations will supervise OMJ Center Managers and OMJ system partners, to ensure that career services are structured to effectively deliver employment, training and career services for the BCW|Workforce area's job seeker and business customers.

The OMJ Center Managers' *formal* supervision will be provided by a higher-level manager from their respective employer organizations.

**G. Program Services:** Program services include WIOA-funded youth workforce investment activities and WIOA Title I Adult and Dislocated Worker career services provided by the Consortium, through the OMJ One-Stop centers. Program services are provided by Consortium staff.

**H. Staff Reporting Relationships:** The following reporting relationships ensure that BCW|Workforce Operations' monitoring and oversight staff does not have a reporting relationship with the Career Center staff that it monitors.

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<sup>2</sup> As outlined in the OMJ System Operator RFP, Section 8.3.2.4.: CQI: Execute Functional Leadership

1. Operations' Fiscal Agent Staff all report directly to the BCW|Workforce Executive Director (who is also the Executive Director of the Board). Functions carried out by Operations Fiscal Agent staff are Fiscal Agent functions. As such, they report to the WIBBCW, through the Executive Director.
2. BCW|Workforce Operations Staff to the Board all report directly to the Executive Director (who is also the Executive Director of the Board). Functions carried out by Operations staff are Board functions. As such, they report to the Board through the Executive Director.
3. WIOA Title I Adult and Dislocated Worker Career Center staff all report to a Career Center Manager, either directly or through other Career Center staff.
4. BCW|Workforce's Youth services contract staff all report to the contracted Emerging Workforce Intermediary, who reports to the Executive Director. Functions carried out through the youth services contract staff are Board functions. As such, they report to the Board through the BCW|Workforce Executive Director.
5. On the WIOA Title I Adult and Dislocated Worker side, there are firewalls between the contracted OMJ One-Stop System Operator, Fiscal Agent staff, the BCW|Workforce Operations staff to the Board, and the OMJ Center Managers.
6. On the Youth side, there are firewalls between the contracted OMJ One-Stop System Operator, Fiscal Agent, Executive Operations staff, and the youth program staff.
7. Firewalls guarantee separate reporting and monitoring relationships and separate functions. Functions are shared among roles only where explicitly defined in WIOA law, regulations, or operating guidance.
8. An organizational chart is included as Attachment A.

#### **IV. Internal Controls**

The internal controls policy governs the BCW|Workforce's monitoring and oversight of all local WIOA Title I-B grant subrecipients, including the activities of all BCW|Workforce Operations Staff. Consistent with 2 CFR §200.303, BCW|Workforce monitoring and oversight staff adheres to the following guidelines.

- A. Effective Internal Controls:** The BCW|Workforce Monitoring and Oversight Plan will provide reasonable assurance that all local grant subrecipients are managing federal awards in compliance with Federal statutes (including the WIOA law), regulations, and the terms and conditions of the award. The Monitoring and Oversight Plan will comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

- B. Regular Monitoring Reviews:** The BCW|Workforce Monitoring and Oversight Plan will specify a schedule of regular reviews to evaluate and monitor all local grant subrecipients for compliance with Federal statutes (including the WIOA law), regulations, and the terms and conditions of the award. Monitoring reports detailing the results of each review will be sent to the program manager or career center manager.
- C. Monitoring Findings:** BCW|Workforce Operations staff will require that local grant subrecipients, including career center managers, take prompt action to correct any monitoring findings, including any instances of noncompliance with Federal statutes (including the WIOA law), regulations, and the terms and conditions of the award, as well as any audit findings.
- D. Board Oversight:** BCW|Workforce Operations monitoring staff reports the results of monitoring reviews to the Standing Committee(s) of the Board charged with oversight of the programmatic or financial area being monitored.
- E. Safeguarding PII:** BCW|Workforce Operations will monitor local grant subrecipients' handling of Personally Identifiable Information (PII) to safeguard both PII and other information that USDOL or ODJFS|OWD designate as sensitive, consistent with applicable Federal, state and local laws and policies (including USDOL, Training and Employment Guidance Letter (TEGL) 39-11 and [ODJFS|OWD WIOA Policy Letter \(WIOAPL\) 15-07.2 \(Source Documentation for Workforce Innovation and Opportunity Act Title I Program Eligibility\)](#), regarding privacy and obligations of confidentiality.

## **V. The Executive Director**

The BCW|Workforce Executive Director is executive director of the Workforce Investment Board of Butler|Clermont|Warren (WIBBCW), the local workforce development board for Ohio's 12<sup>th</sup> local workforce development area.

BCW|Workforce by-laws provide for the Chief Elected Officials to be members of the WIBBCW Executive Committee. As such, the interests of the CEO Consortium are the same as the interests of the Executive Committee. Therefore, in conducting their work, the Executive Director is reporting to both CEO's and the Board.

The Executive Director is ultimately responsible and accountable for the functions described in Section III. When overseeing financial policy, administration, financial monitoring of subrecipients, and program services, they report to the Executive Committee's CEOs. When overseeing governance, program policy, coordination, and programmatic monitoring of subrecipients, they report to the Board.

## **VI. Effective Date**

This policy is effective immediately upon approval by the Workforce Investment Board of Butler|Clermont|Warren (WIBBCW), the workforce development board (WDB) of Ohio's 12<sup>th</sup> local workforce development area (LWDA).

## **VII. Revision**

The OMJ | BCW Consortium of Counties has the authority to make technical revisions to this policy, to better align this policy with federal or state laws, statutes, regulations, or policy guidance; to better align this policy with other local policies; to respond to changes in the WIOA budget that impact this policy; or to revise references to source documents cited in this policy. Any revision to this policy that could have a substantial impact on local grant subrecipients or program participants must be approved by the BCW|Workforce Development Board (WIBBCW). The Executive Director has the authority to temporarily approve policy changes until the next WIBBCW meeting.

### **VIII. Questions**

Questions on this policy may be directed to Stacy Sheffield, BCW|Workforce Executive Director, (513) 409-1769, or Stacy.Sheffield@jfs.ohio.gov.

**Date Approved by Workforce Investment Board of Butler|Clermont|Warren:**

**November 12, 2020**

WDB DRAFT