

WIOA Roles & Firewalls

Division of Workforce Services
Financial Monitoring



WIOA Roles & Responsibilities

Local Workforce Development Board (LWDB)

- Appointed by the chief elected official(s) in each local area (20 CFR 679.310)
- In partnership with the chief elected official(s):
 - Sets policy for the workforce development system within the local area
 - Develops the local plan
 - Performs functions described in 20 CFR 679.370
- Can hire staff or select an entity to assist in carrying out the LWDB functions (20 CFR 679.400)

LWDB Functions

- 20 CFR 679.370:
 - Develop and submit 4-year local plan
 - Conduct workforce research and labor market analysis
 - Convene local stakeholders to assist with local plan
 - Lead efforts to engage diverse employers
 - Lead efforts to develop career pathways
 - Identify & promote promising initiatives & strategies for meeting needs
 - Develop strategies for using technology

LWDB Functions (continued)

- 20 CFR 679.370:
 - Conduct oversight of youth workforce investment activities, adult and dislocated worker employment and training activities, and the entire one-stop delivery system of the local area
 - Ensure appropriate use and management of WIOA funds
 - Ensure appropriate use, management, and investment of funds to maximize performance outcomes
 - Negotiate performance indicators
 - Negotiate funding for infrastructure costs

LWDB Functions (continued)

- 20 CFR 679.370:
 - Select providers of youth services, training services, career services, and one-stop operators
 - Ensure sufficient providers to maximize consumer choice and opportunities for integrated employment for individuals with disabilities
 - Coordinate activities with education and training providers
 - Develop a budget for activities of the LWDB
 - Assess physical and programmatic accessibility
 - Certify one-stop centers

Local Fiscal Agent

- Designated by the chief elected official to serve as the local grant recipient for the area
- General Functions (20 CFR 679.420):
 - Receive funds
 - Ensure fiscal integrity and accountability of funds
 - Respond to audit financial findings
 - Maintain proper accounting records & documentation
 - Prepare financial reports
 - Provide technical assistance regarding fiscal issues

Local Fiscal Agent (continued)

- Additional functions at direction of LWDB:
 - Procure contracts or obtain written agreements
 - Conduct financial monitoring of service providers
 - Ensure independent audit of all employment and training programs
- Fiscal agent responsibilities constitute costs of administration and are subject to the administrative cost limitations (20 CFR 683.215 (b) (1) (x)).

Local Fiscal Agent (continued)

- According to the WIOA Final Rule:

“The appropriate role of fiscal agent is limited to accounting and funds management functions rather than policy or service delivery.”

Adult/Dislocated Worker Career Services

- Career services may be provided directly by the one-stop operator or through contracts with service providers approved by the LWDB (20 CFR 680.160).
- The LWDB only may be a provider of career services when approved by the chief elected official and the Governor.

Youth Services

- The grant recipient/fiscal agent has the option to provide directly some or all of the youth workforce investment activities (20 CFR 681.400 (a)).
- IF a LWDB chooses to award grants or contracts to youth service providers for some or all activities, the LWDB must award them on a competitive basis, unless the LWDB determines there are an insufficient number of eligible youth providers.

One-Stop Operator

- May be single entity (public, private, or nonprofit) or a consortium of entities (20 CFR 678.600)
- Must be selected by LWDB through a competitive process (20 CFR 678.605)
- Minimum required role:
 - Coordinate service delivery of required one-stop partners and service providers (20 CFR 678.620)

One-Stop Operator (continued)

- Additional roles may be established by LWDB:
 - Coordinating service providers across one-stop delivery system
 - Being primary provider of services within the center
 - Providing some of the services within the center
 - Coordinating service delivery in a multi-center area
- Competition must clearly articulate the desired role

One-Stop Operator (continued)

- Prohibited Functions:
 - Convene stakeholders to assist in development of local plan
 - Prepare and submit local plans
 - Be responsible for oversight of itself
 - Manage or significantly participate in competitive selection process for one-stop operators
 - Select or terminate one-stop operators, career services, and youth providers
 - Negotiate local performance accountability measures
 - Develop and submit budget for activities of LWDB

Multiple Roles

- Any organization that has been selected/designated to perform more than one of these functions must develop a written agreement with the Local WDB and CEO to clarify how the organization will carry out its responsibilities while demonstrating compliance with WIOA and corresponding regulations (20 CFR 679.430).
- In cases where a one-stop operator is also a service provider, there must be firewalls and internal controls within the entity, as well as specific policies and procedures at the LWDB level regarding oversight, monitoring, and evaluation of performance of the service provider (20 CFR 678.625).



Internal Controls & Firewalls

Internal Control

- Process designed to provide reasonable assurance regarding the achievement of objectives in the following areas:
 - Effectiveness and efficiency of operations
 - Reliability of financial reporting
 - Compliance with applicable laws and regulations
 - Safeguarding assets
- Uniform Guidance (2 CFR §200.303)
 - Prompt action for noncompliance identified

Internal Control Framework



Conflict of Interest

- Excerpts from 2 CFR 200.318 regarding procurement standards:
 - Written standards of conduct covering conflicts of interest
 - Real or apparent conflict of interest
 - Employee, officer, agent, immediate family, partner, or organization employing any of those has a financial or other interest in or tangible personal benefit from a firm considered for a contract
 - May not solicit nor accept gratuities, favors, or anything of monetary value
 - Provide for disciplinary actions for violations
 - Organizational conflicts are relationships with parent company, affiliate, subsidiary, or related organization

Disclosure of Potential Conflicts

- Excerpts from 20 CFR 683.200 (c) (5):
 - WDB members must not vote on, nor participate in any decision-making capacity, on the provision of services by such member (or organization such member represents), nor any matter which would provide direct financial benefit to member or member's immediate family.
 - Neither membership on the WDB or a standing committee, nor receipt of WIOA funds to provide training and related services, by itself, does not violate these provisions.
 - Subrecipients must disclose in writing any potential conflict of interest to the recipient of grant funds.

Firewalls

- Proper firewalls ensure transparency and integrity of the process.
- Key areas that require firewalls:
 - Procurement and financial system functions
 - Governance roles and functions
 - Monitoring
- This is not an exhaustive list of potential conflicts of interest.
- Conflicts will vary based on the structure of the local area and the various roles for each entity involved.

Mitigation Factors

- Full disclosure of conflicts of interest
- Recusal of WDB members with conflicts of interest
- Written agreement detailing roles & responsibilities
- Separation of duties among staff functions, duties, etc.
- Firewalls between roles
- Separate lines of authority/reporting (independence)
- Outsourcing/contracting functions with alternate entities
- Restricting access to information (physical and electronic)

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QUESTIONS?