

Monroe County/Rochester Workforce Development Board

WIOA Policy 201

DATE: 9/18/2018
REVISED: 5/22/2019
SUBJECT: RochesterWorks, Inc. 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.

RochesterWorks, Inc. (RWI) is a 501(c)(3) not-for-profit corporation established for the charitable or public purposes of promoting and providing for additional and maximum employment, relieving and reducing unemployment, bettering and maintaining job opportunities, constructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding the community or geographic area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest.

RWI has been selected or otherwise designated to perform the following roles within the local workforce development system:

- Staff to the Monroe County/Rochester Workforce Development Board
- Fiscal Agent for the WIOA Title I-B grant recipient, Monroe County
- Provider of WIOA Adult and Dislocated Worker career services
- Provider of WIOA Youth Design Framework Services and other program elements
- Manager of one comprehensive career center (AJC) and one affiliate career center (AJC)
- Provider of other federally, state, or locally-funded services that are consistent with RWI's purpose and for which funders contract with RWI

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's conflict of interest policy. This policy may be incorporated into a written, interlocal agreement with the Local Workforce Development Board and Chief Elected Officials.

II. Definitions

A. The Board: The Monroe County/Rochester Workforce Development Board, 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.

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

C. 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.

D. WIOA: The Workforce Innovation and Opportunity Act of 2014.

III. Organizational Firewalls

RWI firewalls serve to separate organizational functions and staff reporting relationships between different departments that handle governance, policy, coordination, administration, monitoring, oversight, and program services.

A. Governance Activities: 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. Central Operations Department staff to the Board assist the Chief Elected Officials and the Board in carrying out these activities.

B. Policy: The Central Operations Department 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 Central Operations Department staff to the Board assists the Board in convening, brokering, and leveraging stakeholder resources; engaging employers; and coordinating with education providers.

D. Administration: The Central Operations Department Fiscal Agent staff 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 Central Operations Department conducts monitoring and performs oversight of all local WIOA Title I-B grant subrecipients. Each unit of the Central Operations Department, in turn, receives oversight from a standing committee of the Board. For purposes of monitoring and oversight, all certified, local Career Centers, including those managed by RWI and those managed by other one-stop system partners, are considered to be local grant subrecipients. Monitoring and oversight includes evaluating and monitoring subrecipients' compliance with federal laws, regulations, and policy, as well as state and local policy.

1. Programmatic monitoring of all WIOA Adult and Dislocated Worker subrecipients is performed by Central Operations staff to the Board. The Workforce Innovation and Performance Committee oversees the monitoring activities of the Central Operations staff to the Board. Once each program year, Central Operations staff to the Board presents a report containing a summary of all WIOA 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 Workforce Innovation and Performance Committee. The Committee will have the opportunity to ask questions about the report and make recommendations to Central Operations staff and/or the full Board. The report and resulting discussion will be documented in the Workforce Innovation and Performance Committee meeting minutes.

2. Programmatic monitoring of all WIOA Youth subrecipients is performed by Central Operations Youth staff to the Board. The Youth Committee oversees the monitoring activities of Central Operations Youth staff to the Board. Once each program year, Central Operations Youth 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 Youth Committee. The Committee will have the opportunity to ask questions about the report and make recommendations to Central Operations Youth staff and/or the full Board. The report and resulting discussion will be documented in the Youth Committee meeting minutes.

3. Financial monitoring of all WIOA Adult, Dislocated Worker, and Youth subrecipients is performed by Central Operations Fiscal Agent staff. The Executive, Audit, and Finance Committee oversees the monitoring activities of the Central Operations Fiscal Agent staff. At least once each program year, Central 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 Executive, Audit, and Finance Committee. The Committee will have the opportunity to ask questions about the report and make recommendations to Central Operations Fiscal Agent staff and/or the full Board. The report and resulting discussion will be documented in the Executive, Audit, and Finance Committee meeting minutes.

F. Program Services: Program services include WIOA-funded youth workforce investment activities and adult and dislocated worker career services provided by RWI staff through the career centers. Program services are provided by Career Center staff.

G. Staff Reporting Relationships: The following reporting relationships ensure that the Central Operations Department's monitoring and oversight staff does not have a reporting relationship with the Career Center staff that it monitors.

1. Central Operations Fiscal Agent Staff all report to the RWI Executive Director (who is also the Executive Director of the Board) either directly or through other Central Operations Fiscal Agent Staff. Functions carried out by Central Operations Fiscal Agent staff are Fiscal Agent functions. As such, they report to RWI, through the Executive Director.
2. Central Operations Staff to the Board all report to the RWI Executive Director (who is also the Executive Director of the Board) either directly or through other Central Operations Department Staff to the Board. Functions carried out by Central Operations Department staff are Board functions. As such, they report to the Board through the Executive Director.
3. Adult and Dislocated Worker Career Center staff all report to a Career Center Manager, either directly or through other Career Center staff.
4. Central Operations Youth Staff to the Board all report to the Director of Youth System Services, who reports to the Executive Director. Functions carried out by Central Operations Department Youth Staff to the Board are Board functions. As such, they report to the Board through the Executive Director.
5. Youth Career Center staff all report to the Youth Career Center Services Manager. The Youth Career Center Services Manager reports to the Director of Youth System Services.
6. On the Adult and Dislocated Worker side, there are firewalls between the contracted One-Stop System Operator (not an RWI role), Central Operations Fiscal Agent staff, Central Operations staff to the Board, and the Career Center Managers.
7. On the Youth side, there are firewalls between the contracted One-Stop System Operator, Central Operations Fiscal Agent staff, Youth staff to the Board, and the youth program staff, including the Youth Career Center Manager and contracted Youth Navigators.
8. 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.
9. An organizational chart is included as Attachment A.

IV. Internal Controls

The internal controls policy governs the RWI Central Operations Department's monitoring and oversight of all local WIOA Title I-B grant subrecipients, including the activities of all RWI Adult, Dislocated Worker, and Youth Career Center Staff. Consistent with 2 CFR §200.303, RWI monitoring and oversight staff adheres to the following guidelines.

A. Effective Internal Controls: The RWI 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 RWI 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: RWI Central 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: RWI Central Operations monitoring staff reports the results of monitoring reviews to the Standing Committee(s) of the Board that is/are charged with oversight of the programmatic or financial area being monitored.

E. Safeguarding PII: RWI will monitor local grant subrecipients’ handling of Personally Identifiable Information (PII) to safeguard both PII and other information that USDOL or NYSDOL designate as sensitive, consistent with applicable Federal, state and local laws and policies (including TEGL 39-11 and New York State Workforce Development System TA 18-5) regarding privacy and obligations of confidentiality.

V. The Executive Director

The Executive Director is executive director of both RWI and the Board. RWI’s by-laws provide for the same individuals to hold the same offices with the same terms on both the RWI board and the Local Workforce Development Board. The Monroe County Executive is both the sole member of RWI and the WIOA grant recipient. Additionally, the meetings of the RWI board are held jointly with the meetings of the Executive, Audit, and Finance Committee of the Board. As such, the interests of RWI are the same as the interests of the Board. Therefore, in conducting his work, the Executive Director is reporting to both RWI 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, he reports to RWI. When overseeing governance, program policy, coordination, and programmatic monitoring of subrecipients, he reports to the Board.

Time studies of the Executive Director’s time use will be conducted periodically to the extent that it is necessary to allocate time and effort to separate cost objectives and/or calculate an indirect cost rate.

VI. Effective Date

This policy is effective immediately upon approval by the Workforce Development Board.

VII. Revision

RochesterWorks, Inc. has the authority to make technical revisions to this policy. Technical revisions may be made 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 Workforce Development Board. The Executive Director has the authority to temporarily approve policy changes until the next Workforce Development Board meeting.

VIII. Questions

Questions on this policy may be directed to Lee Koslow, Technical Assistance and Training Manager, RochesterWorks Inc., (585) 258-3500, x-3516 or Lkoslow@rochesterworks.org.

Date Approved by Workforce Development Board: September 17, 2019