



## Local Policies – Administration and Governance

### Firewalls

#### Effective Date

4/22/2021

#### Purpose

The purpose of this Policy is to provide guidance in the Board's commitment to guard against problems arising from real, perceived, or potential conflicts of interest not only through sound conflict of interest policies, but also through the establishment of suitable firewalls in the event of such conflicts.

#### Policy

##### A. Definitions

Conflict of Interest - A conflict between the official responsibilities and the private interests of a person or entity that is in a position of trust. A conflict of interest would arise when an individual or organization has a financial or other interest in or participates in the selection or award of funding for, an organization. Financial or other interest can be established either through ownership or employment.

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.

##### B. Firewall Guidelines

Conflict of Interest Policy: All members of the Board, its established committees and the individuals/organizations functioning as staff to the board shall sign a conflict of interest attestation acknowledging receipt, review, and acceptance of the policy. These members have a continual duty to recognize potential conflict of interest upon the occurrence of any situation that would give rise to a potential or actual conflict of interest.

Multiple Roles: When a single entity fulfills more than one of the following roles including, but not limited to, Fiscal Agent, Board Staff, OSO or direct service provider, such entity is required to adhere to the guidelines set forth in this Policy.

##### C. Control Activities – 2 CFR 200.318(C)(1)

The organization maintains standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts. The standards of



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conduct provide that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. The standards of conduct state that a conflict of interest would arise when the employee, officer, or agency, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or tangible personal benefit from a firm considered for a contract. Officers, employees, and agents of the non-federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contactors or parties to subcontracts. The standards of conduct provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-federal entity.

### D. Fiscal Agent

Role: The role of the Fiscal Agent is limited to accounting and funds management functions such as receiving funds, ensuring sustained fiscal integrity and accountability for expenditures of funds in accordance with the Office of Management and Budget circulars, the Workforce Innovation and Opportunity Act (WIOA) and the corresponding federal regulations and state policies. The Fiscal Agent is responsible for responding to audit financial findings, maintaining proper accounting records and adequate documentation, and preparing of financial reports. The Fiscal Agent must also, provide financial assistance to subrecipients regarding fiscal issues.

The Fiscal Agent shall ensure that an audit of the Board's financial statements and schedule of expenditures of federal awards is conducted by an independent third-party auditor on an annual basis. Such audit shall also include a review of the internal controls. The Fiscal Agent shall present the audit results to the CLEO and the Board annually.

### E. Executive Director

Role: The role of the Executive Director is to oversee the operation and administration of the Northeast Iowa Local Workforce Development Board. The Executive Director is charged with assisting in carrying out the functions described in the local board required functions.

### F. One-Stop Operator

Selection of OSO: The Board shall select its OSO through a competitive procurement process at least once every three (3) years (WIOA Sec. 121 [d][2][A]). As part of that process, the Board must clearly articulate the expected role(s) and responsibilities of the OSO. When selecting the OSO, the Board shall comply with the federal procurement standards outlined in the Uniform Guidance, as well as any state or local procurement policies.

Conflicts with Title I Service Providers: The OSO will report any concerns or issues relating to conflicts of interest with any Title I service provider directly to Board or the Board Executive Director.



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Duties: The primary role of the OSO is coordinating service delivery among the partners in the one-stop system. One-Stop Operators must comply with Federal regulations, and procurement policies, relating to the calculation and use of profits. The OSO will coordinate the service delivery of required one-stop partners and service providers. The OSO has no staffing authority over the hiring, firing, termination, promotion, etc. of staff members.

The OSO reports to the Board's Executive Director.

### G. Title I Service Provider

Selection of Title I Service Providers: Providers of Title I Adult, Dislocated Worker and Youth programs will be competitively procured in accordance with federal and state policies.

Conflicts with One-Stop Operators: Providers delivering Title I Adult/Dislocated Worker services and Title I Youth services will report any concerns or issues relating to conflicts of interest with the OSO directly to the Board or the Executive Director to the Board.

If the Title I Adult/Dislocated Worker program provider and/or the Title I Youth program provider is selected to serve as the OSO, firewalls must be in place to ensure the staff members providing Title I services are not performing OSO duties and vice versa.

The work and performance of the Title I service providers shall be monitored by the Board Executive Director in accordance with the Board's monitoring policy. Any issues related to the provision of services by a Title I service provider shall be handled by the Executive Director of the Board and a corrective action notice shall be issued. Should such issues not be resolved (or a plan for resolution be in place) within sixty (60) days of being identified, then the Executive Director will consult with the Board Chair and outstanding issues will be addressed by the Executive Committee of the Board.

Reporting: Title I Service Providers report to the Board's Executive Director.

### H. Boards and Committees

Role in Conflicts: The Board 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 party to this policy and restriction of access to physical and electronic information. Members of the Board will be required to recuse themselves/abstain from any vote where a conflict of interest exists. In the event of a conflict of interest with staff, such person will not be involved in any selection process, meetings, or discussions. All conflicts will be shared with the CLEO and the Board Chair. In the event the conflict involves the CLEO, the Board Chair will communicate with the Executive Committee of the Board. In the event the conflict involves the Board Chair, the CLEO will communicate with the Board Vice Chair and other Executive Committee members. When a conflict involves staff, the CLEO, Board Chair, and/or staff member(s) not involved in the conflict will assume the duties and functions of the aforementioned staff.

The Established Conflict of Interest Standards State: Members must neither cast a vote on, nor participate in any decision-making capacity on the provision of services by such member or any



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organization which that member directly represents nor on any matter which would provide direct financial benefit to that member or that member's immediate family. Please see the conflict of interest policy and 20 CFR 683.200(c)(5)(i) for more information.

Recusal from Vote/Quorum: The existence of a quorum is not affected by the recusal or abstention of a member if a quorum is initially present at the meeting. In situations where a member recuses himself/herself from a vote, any actions voted on after the departure of that member may still be passed as long as a majority of the initial quorum approves the action.

### H. Individuals and Organizations Serving as Staff to the Board

Executive Director: The Executive Director is responsible for the day-to-day operations of the Board and is charged with all local board required functions. The Executive Director is also responsible for preparing all meeting notices, documentation, and correspondence for board members.

Fiscal Agent: The Agent is responsible for accounting and fund management functions and also provides regular financial reports to the Board. The fiscal agent does not have the authority to approve/deny funding and/or payments. The Fiscal Agent is hired by the Northeast Iowa Local Workforce Development Board and reports directly to the Executive Director of the Board

### Procedures

Describe the intent and objective of this policy.